



Corporate Sustainability Report 2024



The better shopping experience

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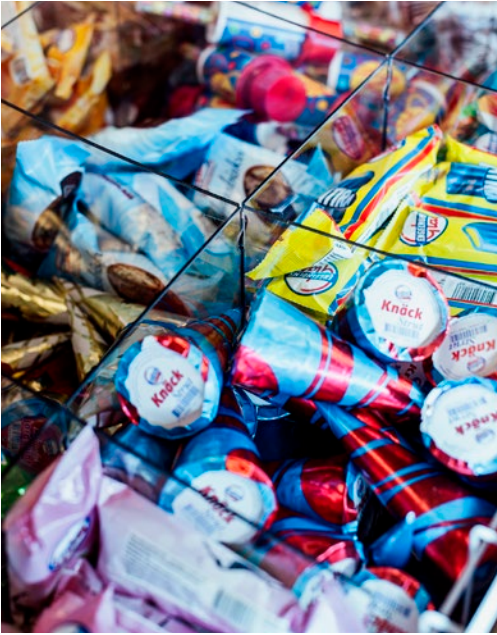
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About HL Display

HL is an international supplier of in-store communication and merchandising solutions to help customers build attractive, efficient and more sustainable stores. Our offer includes products within store communication and merchandising as well as lighting systems, secondary displays and customised in-store solutions and services.

HL systems are installed in over 330,000 stores around the world. Headquartered in Stockholm, Sweden, the Group serves more than 70 markets. 24 sales offices cover 40 of these markets, while the remainder is managed by distribution partners located across the globe.

Our biggest markets are the UK, Sweden and France, and we mainly cater to customers within food and non-food retail as well as branded goods suppliers. The nine production facilities HL operated during 2024 are located in Sweden, Poland, the UK, Germany, China and Canada and handle a variety of industrial processes, including plastics and metal fabrication, printing, assembly and more.

HL has around 1,200 employees and net sales of 2.8bnSEK. HL is a wholly owned subsidiary of the listed Swedish Business Group Ratos.

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Creating the better shopping experience

HL helps customers around the world to create attractive, profitable and more sustainable in-store environments that strengthen the consumer’s shopping experience.

During 2024, HL acquired three companies: its former distribution partner pr trading in Denmark, Effekt Grafik in Germany and kostklip in Canada.

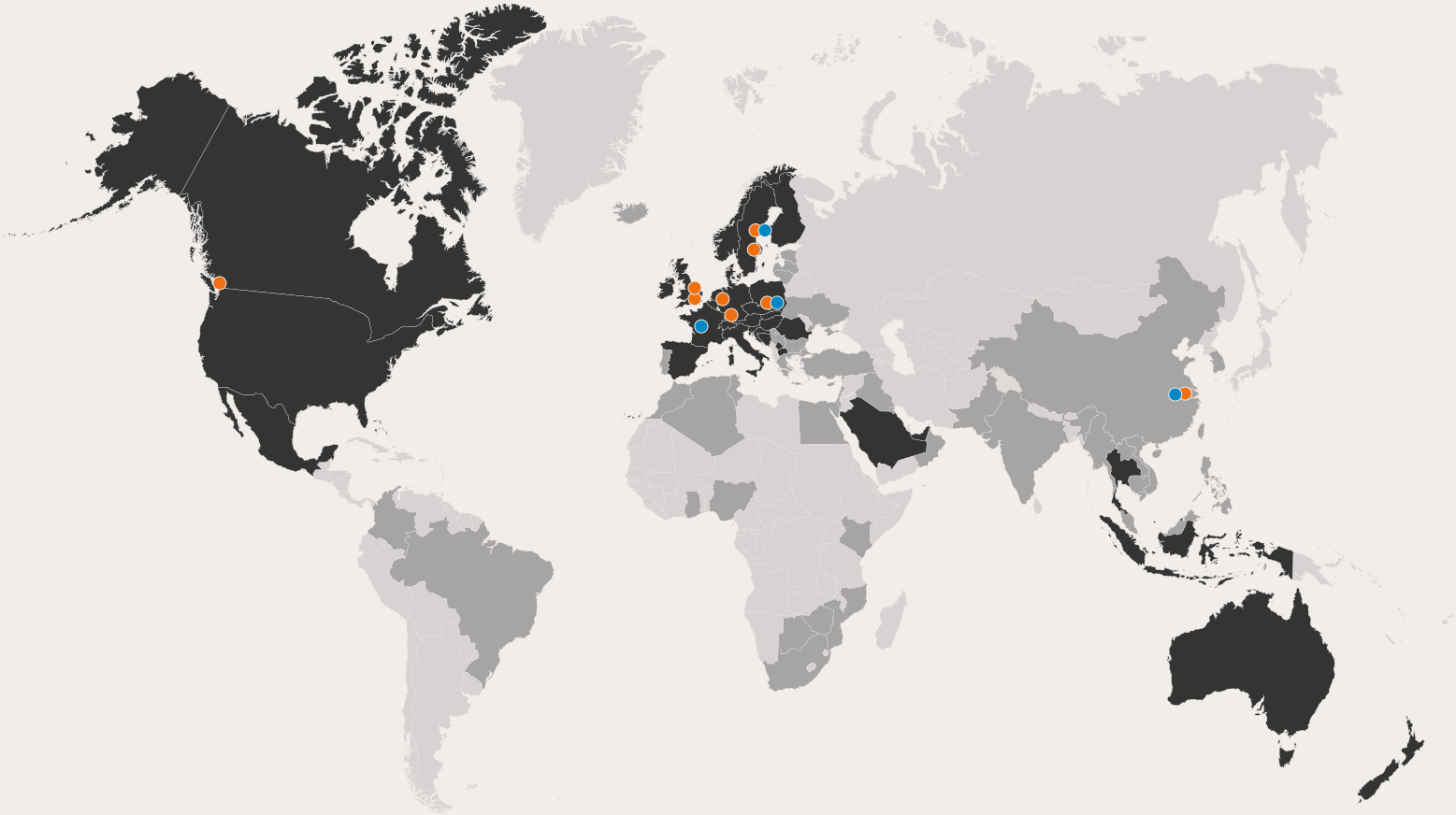
Key figures

Stores
330,000

Markets
70+

Employees
1,200

Net sales bnSEK
2.8



Markets covered via

- HL Sales offices
- HL Partners
- HL Factories
- HL Regional distribution centre (RDC)

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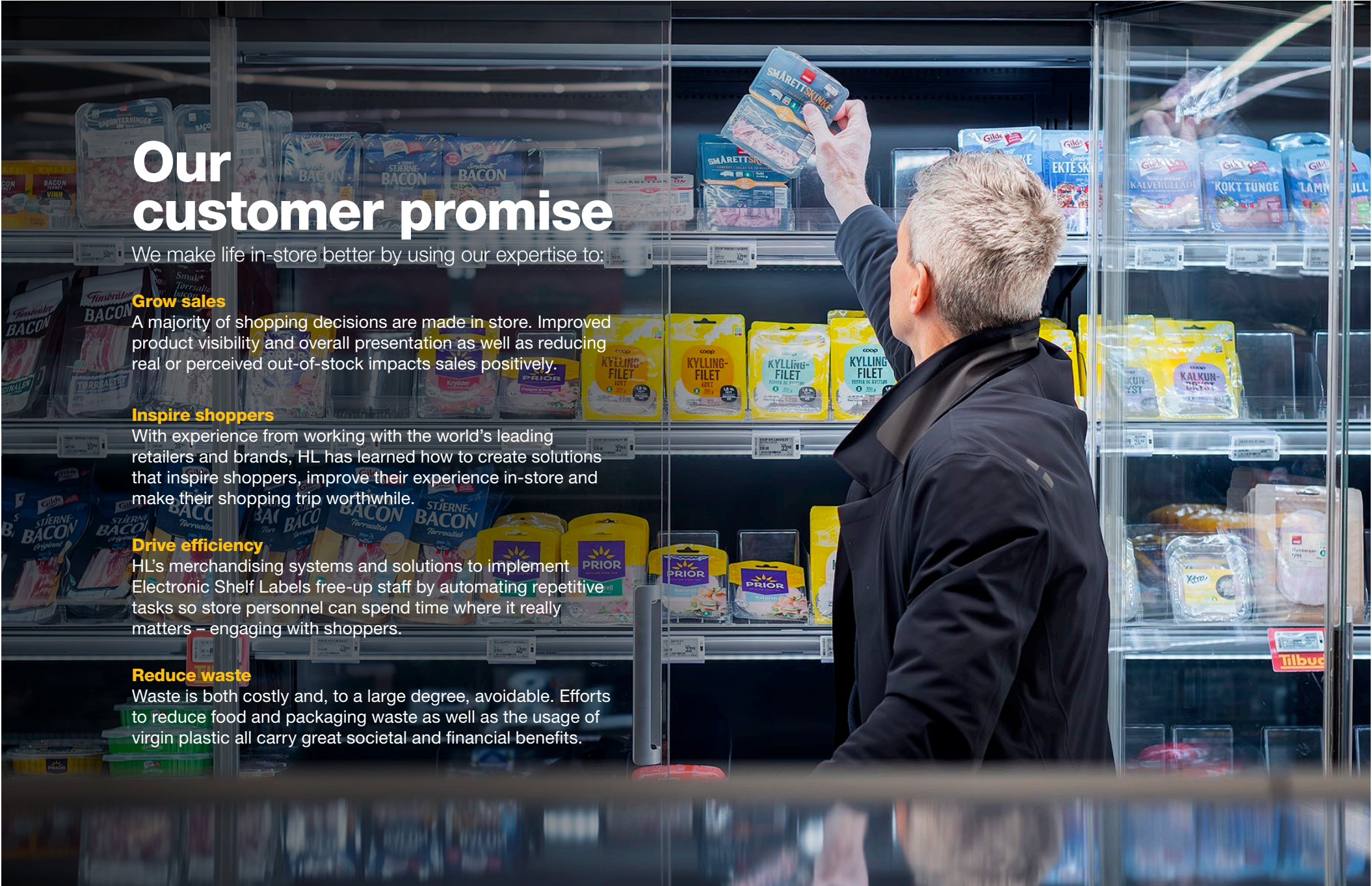
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Our customer promise

We make life in-store better by using our expertise to:

Grow sales

A majority of shopping decisions are made in store. Improved product visibility and overall presentation as well as reducing real or perceived out-of-stock impacts sales positively.

Inspire shoppers

With experience from working with the world's leading retailers and brands, HL has learned how to create solutions that inspire shoppers, improve their experience in-store and make their shopping trip worthwhile.

Drive efficiency

HL's merchandising systems and solutions to implement Electronic Shelf Labels free-up staff by automating repetitive tasks so store personnel can spend time where it really matters – engaging with shoppers.

Reduce waste

Waste is both costly and, to a large degree, avoidable. Efforts to reduce food and packaging waste as well as the usage of virgin plastic all carry great societal and financial benefits.

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Message from the CEO

We have spent 2024 making good progress towards our vision of being the preferred partner for delivering innovative solutions that create a better in-store experience for shoppers and personnel. It has been a year marked by difficulties and uncertainty in the world, which have also affected the retail industry. I am proud to say that despite this, our combined efforts have resulted in another record year for HL.

We have navigated these challenges to the best of our ability, drawing our map with insights from customer interviews across Europe to ensure we support our customers in the best way possible. Alongside business growth, we prioritised employee wellbeing, the reduction of our carbon footprint, and responsible sourcing.

With three new acquisitions – pr trading in Denmark, Effekt Grafik in Germany, and kostklip in Canada – we expanded our reach while continuing the integration of businesses acquired in 2023. Supporting employees remains key, with initiatives such as safety training and improved workplace facilities ensuring a safe and engaging work environment. Flexible working policies and additional leave options also reinforce our commitment to work-life balance that is sustainable for our employees.

When it comes to environmental sustainability, for us it is about understanding our impact across the entire value chain – rather than just our own operations. This is why we

take a holistic approach, summarised in our double materiality analysis, which guides our priorities and actions.

Reducing CO₂ emissions is a priority for HL, and we continue to be on track towards reaching our Science Based Targets. Our emissions reduction efforts focus on:

Scope 1 & 2: Energy efficiency remains our biggest lever, and we are progressing towards our -46% reduction target by 2030. For example, our factories in Sundsvall and Sollentuna already run entirely on fossil-free energy, while Bühl and Gliwice use renewable energy from wind and solar panels.

Scope 3: Raw materials drive 77% of our total emissions, making sustainable sourcing crucial. In 2024, we expanded our Sustainable Choice assortment by adding more solutions to the portfolio and increasing the use of recycled materials. These shifts are only possible thanks to our supply chain teams, who continue to secure high-quality recycled plastics and adapt production methods.

Sustainability is a shared responsibility with our customers and suppliers, and looking ahead, we will continue our journey with both on board. We will focus on expanding our Sustainable Choice portfolio, deepening our Science Based Targets initiative work, building the best workplace for our employees, and ensuring acquisitions align with our sustainability commitments. There is much to do, but with strong momentum, we are well-positioned to drive meaningful change.

As we move forward together, it is with pride that I confirm HL's continued support for the UN Global Compact and renew our commitment to the initiative and its principles.



Stockholm, 4 April 2025
Björn Borgman, CEO HL Display

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Our vision

To be the preferred partner for delivering innovative solutions that create a better in-store experience for shoppers and personnel.

What we do

We provide in-store communication and merchandising solutions to help our customers build attractive, efficient and more sustainable stores.

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Our strategy

Growing people & business

Growing our business profitably and continuously developing our people is essential to what we do. Leveraging our unrivalled market presence, experience in the industry and state-of-the-art product design and production capabilities, our entities are able to grow sales organically, and businesses we acquire allow us to accelerate profitable growth.

Best in class cost efficiency

As European leaders we drive scale that benefits our customers and ourselves. Continuous improvement in production, sourcing and logistics make cost a competitive advantage. We strike a healthy balance between standardisation and uniqueness, and drive digitalisation to reduce cost and increase speed.

Leading with innovative & sustainable solutions

Our passion for grocery retail translates into an industry-leading portfolio of retail proof solutions that solve our customers' challenges. We innovate to create shopping experiences that are truly better. Inspiring shoppers, growing sales and reducing cost, and helping make stores more sustainable ... and our own operations too.

Positioning HL as preferred partner

We partner with our customers to grow their businesses. Excellent customer service, strong local market presence and a mindset of making things easy for those around us ensure an outstanding customer experience. Applying the same principles to our internal operations, this is a source of pride for us and true value for our customers.



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UN Sustainable Development Goals



Goal 8.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

How do we impact this goal?

- / Efficient production processes, including waste management and use of recycled and bio-based materials
- / Our Code of Conduct and Code of Conduct for Suppliers set the standard for doing business, for ourselves and our suppliers
- / Health and safety of our employees

Read more about our efforts here

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Goal 10.

Reduced inequality within and among countries

How do we impact this goal?

- / Recruitment and people practices including promoting diversity, objective performance management and people practices, talent reviews and more
- / Our Corporate Responsibility Policy has an increased focus on diversity
- / Our Whistleblower process ensures concerns about inequality can be raised easily without fear of negative consequences

Read more about our efforts here

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Goal 12.

Ensure sustainable consumption and production patterns

How do we impact this goal?

- / Our solutions enable our customers to reduce waste and environmental footprint
- / We increase the circularity of our industry by taking products back at the end-of-life
- / In our factories, we work to reduce waste generated, and to increase recycling rates of the waste that remains
- / We continuously work to reduce the carbon footprint of our operations
- / HL Sustainable Choice offers alternatives to virgin fossil-based plastic
- / We are switching to green energy

Read more about our efforts here

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Goal 13.

Take urgent action to combat climate change and its impacts

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HL's sustainability focus areas

Helping customers to create more sustainable stores

HL provides sustainable solutions with a focus on end-of-life product treatment. We aim to expand the Sustainable Choice offer and apart from addressing matters such as food waste and consumer packaging, we offer products that are resource efficient and lasting.

Creating the best workplace

HL continuously invests in inclusive and safe work environments for our employees - embracing diversity and equality. We create a workplace where people live the HL values, and where all employees adhere to the Code of Conduct.

Driving continuous improvement in operations

HL's ambition is to reduce the carbon footprint of our operations and to increase the use of recycled and environmentally friendly materials. We are committed to decreasing raw material and water consumption, as well as improve the efficiency of transportation.

Ensuring responsibility throughout the supply chain

HL has a comprehensive supplier risk assessment and requires all suppliers to sign and adhere to the Code of Conduct for Suppliers. It establishes the company's strong position against corruption, ensuring employees and stakeholders practice honesty, integrity and responsibility.



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Targets & results

We (over-)delivered on our target Good result with room for improvement We have missed our target

Helping customers to create more sustainable stores

Prioritised topics

- / Expand our Sustainable Choice offer
- / Focus on end-of-life treatment of products

Other topics we work with

- / Offer products that are resource efficient and long-lasting
- / Improve the in-store working environment
- / Provide information about the environmental impact of our products
- / Reduce food waste
- / Reduce consumer packaging
- / Influence shopping behaviour to become more sustainable

Results 2024

Sales of the HL Sustainable Choice range increased by 44% vs. LY

The Circular Offer was expanded into three new markets

Targets 2025

- / Increase sales of the HL Sustainable Choice range by 10% YoY
- / Expand Circular Offer to more markets

Creating the best workplace

Prioritised topics

- / Ensure safe work environments for our employees
- / Embrace diversity and equality of our employees
- / Develop and build on employee engagement

Other topics we work with

- / Create a workplace where people live our values
- / Ensure that all our employees sign and adhere to our Code of Conduct
- / Provide ongoing professional development and opportunities for personal growth

Results 2024

Reduce Lost Time Injury Frequency Rate increased to 5.7

According to the HighLight survey:

Overall engagement index at 71, +1ppt vs. LY, but 3ppts below benchmark and 4ppts below target

Score of 78 for ‘Regardless of background, everyone at HL has an equal opportunity to succeed’

Targets 2025

- / Ensure a Lost Time Injury Frequency Rate to below 9.0 in line with external benchmarks

According to the HighLight survey:

- / Overall engagement index of 75
- / Maintain score of 78 for ‘Regardless of background, everyone at HL has an equal opportunity to succeed’

Driving continuous improvement in operations

Prioritised topics

- / Increase use of recycled and renewable materials
- / Reduce the carbon footprint of our operations

Other topics we work with

- / Reduce raw material consumption
- / Reduce water consumption year on year
- / Improve the efficiency of transportation
- / Have our legacy factories and Regional Distribution Centres certified according to ISO 9001, ISO 14001 and ISO 45001 standards

Results 2024

CO₂e emission reduction in line with targets

Use of recycled material increased by 27% vs. LY

Targets 2025

- / Deliver on CO₂e reduction plan in-line with SBTi approved targets
- / Increase use of recycled material with 10% YoY

Ensuring responsibility throughout the supply chain

Prioritised topics

- / Have a comprehensive supplier risk assessment in place
- / Have all HL suppliers sign and adhere to our Code of Conduct for Suppliers

Other topics we work with

- / Conduct supplier on-site audits
- / Supplier Full Review as evaluation tool

Results 2024

The self-assessment was repeated for 82 suppliers, 70%* of all important suppliers

All five new suppliers signed the Code of Conduct for Suppliers

12 on-side audits were conducted

Supplier Full Review of the 50 biggest suppliers was completed

Targets 2025

- / To have all new important suppliers* complete the self-assessment
- / All important suppliers from acquired companies** to sign the Code of Conduct for Suppliers
- / 10 on-site audits

**Important suppliers accounted for 80% of total spend in 2021*
*** Suppliers from acquired business which are new to HL, and part of those suppliers who account for 80% of total spend in 2024.*



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Basis for preparation

BP-1 General basis for preparation of sustainability statements

HL Display’s Sustainability Report is a consolidated report covering the global operations of the HL Display Group (HL), including HL Display Holding AB and all its subsidiary legal entities. Operations beyond HL’s direct control, such as suppliers, are not covered by the report. The report serves as HL’s communication on sustainability efforts and their progress, as part of the company’s commitment to the UN Global Compact for the fiscal year 2024. It is prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. The content and structure are inspired by ESRS (European Sustainability Reporting Standards). HL reports comprehensive sustainability data and information on an annual basis. The presented information has not been assured by an external party. This report was published in May 2025. For more information regarding GRI disclosures, please see [page 60](#) →

BP-2 Disclosures in relation to specific circumstances

Companies acquired during 2024 are partly included in our climate reporting. For more information see ESRS E1, [page 23](#) →
No other specific circumstances in relation to the reporting of sustainability-related disclosures were detected in 2024.

Governance

GOV-1 The role of the administrative, management and supervisory bodies

Composition and diversity

The Board of Directors of HL Display consists of our CEO and three representatives from HL’s owner Ratos. All four representatives of the Board are male.

HL’s Group Management Team consists of five executives of different nationalities, whereof three are male and two are female. Members of the Group Management team are recruited to their roles through internal or external selection processes, and their performance is evaluated following the same performance review process which is applied to all other HL employees. The sole exception is the CEO, who undergoes an annual evaluation conducted by the HL Board of Directors.

Roles and responsibilities

The Board of Directors, in collaboration with the Group Management team of HL, develop, approve and update HL’s strategies and goals, including sustainability, according to a yearly process. They also review and approve the annual Sustainability Report.

The Group Management team holds overall responsibility for HL’s sustainability efforts, including the development of due diligence processes and the management of the company’s environmental, social and economic impacts. HL’s CEO, Björn Borgman, is responsible for overseeing and making decisions regarding the management of the company’s impacts.

The Sustainability Manager, in close co-ordination with the Group Management team, is responsible for driving HL’s sus-

tainability efforts in a systematic manner. Local entities play a significant role in the company’s daily sustainability efforts, particularly with regard to the environment and occupational health and safety at production facilities.

Competence and expertise

To increase the knowledge about material sustainability matters, and prepare for upcoming legal requirements, the Group Management team has participated in several workshops with external partners during the past years, for example on human rights due diligence. During 2024, the focus was on CSRD (Corporate Sustainability Reporting Directive) and ESRS (European Sustainability Reporting Standards), and especially the principles for double materiality assessment. Among other things, the Group Management team and Board of Directors took part in a workshop lead by an external partner to work through our double materiality assessment.

GOV-2 Information provided to, and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

HL’s sustainability performance is regularly evaluated and reported to the Group Management team and Board of Directors according to a defined reporting frequency depending on the specific topic. As one example, supply chain matters are discussed twice a year as part of the regular supply chain reviews by the Group Management team and managers within our supply chain. In 2024, the Group Management Team participated in seven sustainability-related workshops and meetings where they reviewed, among other things, the sustainability function, priorities and progress and our employee engagement survey results, in addition to the supply chain reviews.

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GOV3 - Integration of sustainability-related performance in incentive schemes

The remuneration policy at HL aims to foster professional growth, as well as reflect and reward outstanding performance. The policy must always be implemented in a way that ensures fair and non-discriminatory practices based on gender, ethnicity, religion and other factors. A crucial prerequisite for an efficient and functioning business is that we can recruit, motivate, develop and retain employees with sought after skills in the short- and long-term. Against this background, the salary setting process must be individual and differentiated. Unless specified otherwise in a collective agreement, the same principles for salary setting apply to all employees.

Our incentive structures are designed to provide objective metrics and set the right goals at the right levels. This means a focus on long-term incentives and strategic targets, particularly for the most senior roles within the organisation. It is not common practice for us to employ sign-on bonuses or extraordinary retirement benefits for senior individuals. Sustainability targets can be integrated into individual workplans based on role and become part of performance evaluations, which may also affect salary.

GOV-4 Statement in due diligence

The Group Management team holds overall responsibility for HL's sustainability efforts, including the development of due diligence processes and the management of HL's environmental, social and economic impacts.

GOV-5 Risk management and internal controls over sustainability reporting

HL's sustainability reporting is integrated in our annual reporting process. Several of our sustainability metrics, such as the proportion of recycled plastics or Lost Time Injury Frequency Rate, are measured on a monthly basis and follow a yearly process for data quality control. For climate footprint reporting specifically, a reporting tool has been implemented to ensure the quality, completeness and reliability of climate data. As of 2025, HL will start using a reporting tool for all sustainability data. This system also supports overall data quality control.

During 2024, HL's sustainability risks were mapped into our Group-wide risk map. Business risks, including selected sustainability-related risks, are reviewed twice a year as part of our strategy review. Business continuity risks, including supply chain risks, are reviewed annually. This process facilitates monitoring of our sustainability performance, including any data collection processes to be adjusted or created, or other actions to be taken to ensure the correctness, completeness and timeliness of our sustainability data.

Strategy

SBM-1 Strategy, business model and value chain

HL provides store communication and merchandising solutions as well as lighting systems, secondary displays and customised in-store solutions and services. Our solutions are installed in 330,000 stores worldwide.

HL is a truly international employer, and our 1,200 permanent employees are based in more than 20 countries.

Our business strategy is based on four pillars, read more on [page 8: →](#)

- / Growing people and business
- / Best in class cost efficiency
- / Leading with innovative & sustainable solutions
- / Positioning HL as preferred partner

Sustainability is an integral part of HL's strategy and business model. Based on our material impacts, risks and opportunities we are focusing our efforts on four areas, read more on [page 10: →](#)

1. Helping customers to create more sustainable stores
2. Creating the best workplace
3. Driving continuous improvement in operations
4. Ensuring responsibility in supply chain

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Business model and value chain

Our business model relies on several input capitals, including financial, human, intellectual and relationship capitals as well as manufactured and natural capitals:

- / Financial capital: HL is a wholly owned subsidiary of the listed Swedish Business Group Ratos.
- / Human and intellectual capital: The knowledge, skills and experience of our 1,200 employees is essential to our continued success. Together, the HL team represents seven decades of innovation and entrepreneurship in retail.
- / Manufactured capital: Our global production facilities manage everything from plastics and metal fabrication to printing and assembly. When needed, we design and build our own manufacturing equipment.
- / Natural capital: Our operations depend on natural resources and energy, making responsible sourcing and sustainability key priorities.
- / Relationship capital: Strong connections with customers, suppliers and distribution partners are fundamental to our business. Many of our customer relationships have grown into long-standing partnerships built on trust and collaboration.

Through our business model we transform these inputs into products and solutions for our customers, starting with sourcing raw materials and finished goods from our trusted supplier network. These materials then go to our nine factories, where they are transformed into high-quality products. From there, our distribution network ensures smooth deliveries. Through our Circular Offer, we can collect worn-out products, recycle

them and turn them into raw materials for new production, helping to drive a more sustainable future.

Throughout our value chain, waste is managed responsibly in line with local legislation and as part of our sustainability agenda. Our aim is to create value for all our stakeholders, optimising positive impacts and minimising any negative impacts we might have on people and environment due to our business activities. We monitor and measure value creation through selected metrics based on our materiality assessment.

For information about impacts, risks and opportunities along the value chain, please see [page 18](#) →

HL's most significant positive and negative impacts

Environment, including climate

- Circularity*
- (+) Material use and use of recycled materials
 - (+) Product design
 - (-) Waste
 - (-) Energy use in own production
 - (-) GHG emissions
 - (-) Pollution to air and water in raw material production

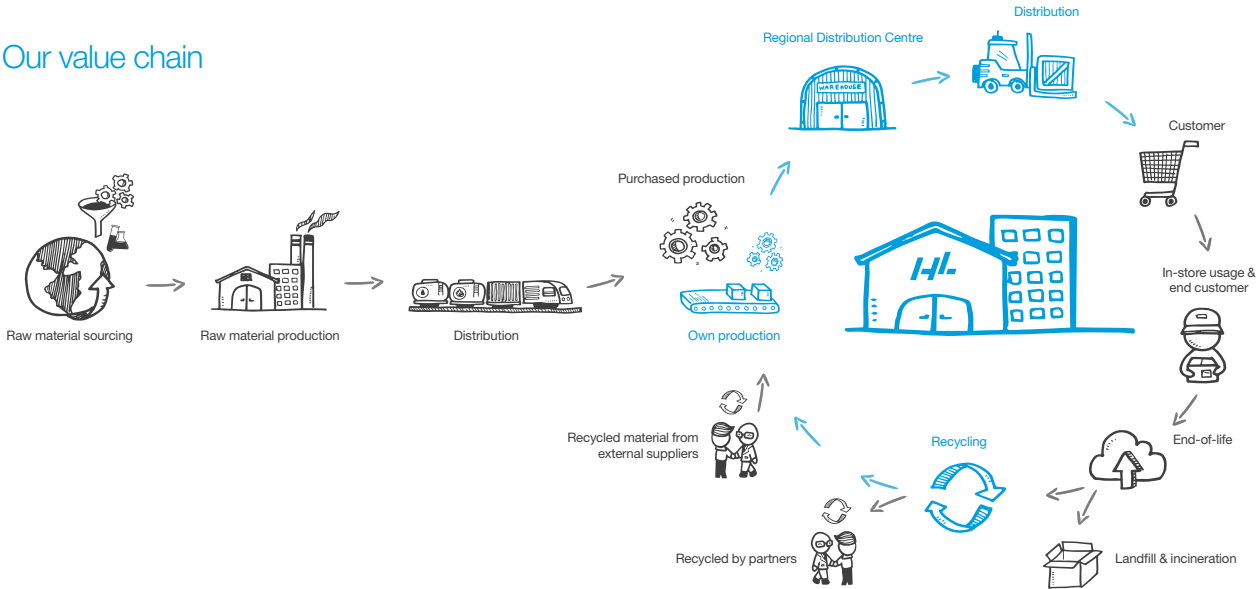
Social

- (+) Employee competence development
- Human rights*
- (+) Promotion of human and labour rights in the value chain
- (-) Human rights impacts in the value chain, including community health and safety
- (+) Job creation and labour opportunities
- (-) Occupational health and safety

Governance

- (+) Responsible value chain – setting and following up on requirements outlined in the Code of Conduct for Suppliers

Our value chain



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SBM-2 Interests and views of stakeholders

Employees

We consistently work to improve our workplace and invest in building ongoing and transparent dialogue around achievements, opportunities and expectations. We see this as key to creating an engaging work environment that empowers every employee to participate and develop.

We engage through:

- / Day-to-day coaching and dialogue within teams
- / Annual HighLight employee engagement survey and quarterly review of progress on agreed actions
- / Regular communication with our employees including company-wide townhalls, newsletters and an annual global meeting
- / Structured performance and development discussions twice per year

Some of the topics raised:

- / Health and safety
- / Opportunities for learning and development
- / Diversity and equal opportunities
- / Work-life balance
- / Team dynamics and working environment
- / Opportunities to continue improving two-way communication

Examples of outcomes from dialogue:

- / Further development of our Learning Management System TalentLMS, providing online learning resources on a broad range of topics
- / Further development of our talent review process to increase internal promotion and development opportunities
- / Updating our Whistleblower portal to reflect EU legislation changes and to destigmatise whistleblowing, under the name of HL Speak Up

Customers

HL caters to customers within grocery and non-food retail, suppliers of branded goods and industry partners such as shopfitters and ESL providers. As the retail landscape continues to undergo rapid evolution, accelerated by shifting shopper expectations, regulatory changes and technological advancements, HL collaborates with customers to develop inspiring in-store environments that are not only attractive and profitable but also more sustainable.

We engage through:

- / Regular digital and physical meetings including store visits
- / Social selling, advertising and other marketing activities
- / Retail fairs and events
- / In-depth interviews with selected customers across key markets, representing grocery and non-food retailers as well as brand suppliers

Some of the topics raised:

- / Responsibility throughout the supply chain
- / Reduction of food, plastic and packaging waste
- / Improving the shopping experience
- / Long-lasting, high-quality products
- / In-store health and safety of shoppers and store employees

Examples of outcomes from dialogue:

- / Providing product footprint assessments to help increase transparency in the supply chain
- / Innovative new products that support customers on their sustainability journey
- / Products that improve the in-store working environment for store personnel

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Suppliers

HL’s suppliers are essential to our ability to provide innovative and sustainable solutions for enhanced shopping experiences. Central to HL’s customer offer is the development and availability of quality materials, which includes alternatives to virgin fossil-based plastic, as well as finished goods.

We engage through:

- / Regular meetings and dialogue
- / Supplier self-assessment questionnaires
- / Cooperation with suppliers for recycled material
- / Supplier audits
- / Supplier Full Review

Some of the topics raised:

- / Development, sufficient availability and quality of more sustainable materials
- / Ethics and ways of doing business
- / Supplier risk assessment

Examples of outcomes from dialogue:

- / New, innovative ways to work with recycled material that is beneficial to HL and our customers, minimising climate footprint
- / Communicating our expectations regarding sustainability further up the value chain

Shoppers

As shopper needs, expectations and demands evolve, it is crucial to comprehend and adapt to these changes. Our ability to provide shopping experiences that are not only sustainable but also safe, convenient and inspiring is vital to our customers’ success, and consequently our own.

We engage through:

- / Account reviews and feedback from our customers
- / Shopper insight research

Some of the topics raised:

- / More sustainable stores and, especially, reduction of waste
- / Better and more convenient shopping experiences
- / Safety while shopping

Examples of outcomes from dialogue:

- / Partnership with maYam to provide more product information to shoppers when shopping packaging-free
- / Display solutions for Fruit & Veg that are both attractive and reduce waste

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SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business

Helping customers to create more sustainable stores

A sustainable shopping experience is also a better shopping experience. For every year that passes, we see a growing sense of urgency, expectation and demand for sustainable materials and solutions from both customers and shoppers. HL is committed to creating more sustainable solutions and we work continuously to identify new ways to deliver them; helping our customers to build long-term sustainable businesses is a priority for us.

We support our customers by offering innovative approaches to help reduce their environmental footprint and are continuously looking for ways to minimise the footprint of our own operations. Our largest environmental impacts occur in the sourcing and use of virgin materials traditionally used in our industry. Through initiatives such as increased utilisation of recycled or bio-based materials, we minimise resource use and decrease reliance on virgin materials, making the use of sustainable materials in HL products more commonplace. Moreover, we aim to encourage a more circular flow of components and solutions. By closing the loop and diminishing dependence on virgin fossil-based resources, we aim to encourage and enable sustainable practices. Further down in our value chain, food and packaging waste is a major concern for both shoppers and retailers. Our solutions help to address these issues, minimising our environmental footprint throughout our value chain.

Creating the best workplace

Establishing a secure working environment is crucial to ensuring the safety of our workforce as well as the delivery of high-quality products and solutions. Health and safety risks in our own operations are mainly concentrated in our production and warehouse areas due to the more physical nature of the work, and the operation of machinery (for example saws, presses, forklifts). We adopt a proactive and systematic approach to workplace safety, regularly updating safety procedures and assessing risk factors.

Ensuring diversity of thought is crucial for fostering HL's innovation and long-term success, particularly for a company operating globally, like HL. It is therefore paramount for us to offer equal opportunities to all employees regardless of ethnicity, colour, gender identity, sexual orientation, nationality, parental status, marital status, pregnancy, religion, political opinion, racial and ethnic background, national extraction or social origin, social status, age, union membership, disability, or other forms of discrimination covered by Union regulation and national law. We aim to foster an inclusive and safe environment where employees flourish and enjoy their work, allowing for continuous development and personal growth. The annual engagement survey serves as a tool to identify where we might have risks relating to our impacts on employees, including impacts related to equal treatment and creating opportunities for all.

Driving continuous improvement in operations

Our ambition is to minimise our environmental impact and integrate sustainability into our organisational culture and operations. To do so, it is imperative that we take responsibility for the world around us through the way we operate, develop and innovate. The primary sources of our environmental impact lie in the raw materials used in production, as well as energy use. Since our own factories manufacture most of the products in our portfolio, operating them efficiently and with environmental responsibility is critical to mitigate the environmental impact of our operations.

Ensuring responsibility in supply chain

Our supplier base consists of around 1,700 suppliers from whom we source materials for production as well as other goods and services. Recognising that a significant portion of HL's impact on people and the environment occurs within our supply chain, we believe that effectively addressing and managing sustainability issues requires strategic collaboration with our key suppliers. Continuously engaging on material sustainability impacts is also crucial to developing long-term supplier relations and building partnerships in strategic areas.

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Impacts risks and opportunities in our value chain.

The table below presents our sustainability impacts, risks and opportunities based on the double materiality assessment,

and where in the value chain they are concentrated. For more information about how HL manages these sustainability topics, please refer to the relevant ESRS standard.

Sustainability matter	Value chain			Impact, risk or opportunity	Read more
	UVC	OO	DVC		
Climate change mitigation	X	X	X	HL has identified an actual negative climate impact within its operations and value chain, primarily as greenhouse gas emissions are generated in Scope 1, 2 and 3. Climate change mitigation efforts are crucial to lower these impacts.	E1, page 24ff
Energy		X		Energy consumption in own operations has been assessed as an actual negative impact on environment. To address this, HL focuses on improving energy efficiency across operations and transitioning into fossil free energy sources to minimise associated emissions.	E1, page 27ff
Resource inflows	X	X		HL has identified an actual negative environmental impact from material choices and the use of resource-intensive procured materials. Fossil substances contribute to dependence on non-renewable raw materials and have a negative impact within the value chain. Through our commitment to the circular economy and the promotion of sustainable material choices, we contribute to the transition and create a real positive impact. Adapting to new laws and regulations poses a risk to our operations.	E5, page 34ff
Resource outflows		X	X	The disposal of materials has an actual negative impact on environment. By utilising recycled materials, implementing closed-loop recycling and minimising environmental impact from products, HL creates an actual positive impact. The development of more sustainable products further strengthens this positive impact. Emerging regulations for virgin fossil-based materials pose a risk within the value chain. Extending product lifespans, increasing recycling and reuse in production processes presents opportunities for sustainable progress.	E5, page 34ff
Waste		X	X	Waste has been identified as an actual negative impact due to the waste generated from production, manufacturing and packaging, as well as the potentially hazardous waste produced in the production process and the value chain. Actual negative impact also occurs at the end of the product life cycle due to limited to minimal recycling. An improved recycling infrastructure throughout the value chain contributes to an actual positive impact and creates increased opportunities for recycling.	E5, page 34ff
Working conditions (own operation)		X		HL has identified a negative impact on employees related to occupational health and safety. This is due to incidents and hazards in production, but also due to the experience of stress for employees in headquarter and sales offices. For non-employees, there is also a potentially negative impact. At the same time, we have a positive impact on employees related to job opportunities, career development and employment benefits. Furthermore, we create conducive working conditions and promote personal development, health and wellbeing as well as labour standards and human rights, focusing on living wage and working hours. The financial impact from this sustainability topic relates to difficulties in attracting talent.	S1, page 42f

Sustainability matter	Value chain			Impact, risk or opportunity	Read more
	UVC	OO	DVC		
Equal treatment and opportunities for all (own operation)		X		Based on our double materiality assessment, HL has a positive impact on employees through our focus on employee development and capability building activities.	S1, page 41
Working conditions (value chain)	X			Inadequate insight of suppliers, along with the absence of more formalised ESG screening and audits might pose risks related to working conditions for people working in our upstream value chain. This creates a potential negative impact on these stakeholders if we do not act. The potential negative impact also relates to occupational health and safety risks.	S2, page 48
Equal treatment and opportunities for all (value chain)	X			The potential negative impact that we have on people working in our upstream value chain also relates to equal treatment and creating equal opportunities for all.	S2, page 48
Other work-related rights (value chain)	X			Based on our double materiality assessment we have identified a potential negative impact related to human rights risks in our upstream value chain.	S2, page 48
Corporate culture		X		HL is fostering a positive employee culture, which creates a potential positive impact on our employees.	G1, page 53
Management of relationships with suppliers	X			There is a risk of inadequate insight into suppliers, which can be mitigated by setting and following up on supplier requirements through a Code of Conduct for Suppliers. This helps ensure compliance with labour and human rights standards as well as anti-corruption measures, potentially leading to a positive impact on supply chain integrity.	G1, page 55
Corruption and bribery	X	X	X	HL might have negative impact on corruption and bribery in our value chain due to sourcing and distributing in high-risk countries. Exposure to corruption risks also occur in our own operations. By implementing strict anti-corruption policies and fostering a culture of transparency and ethics, our aim is to reduce these risks.	G1, page 56
Entity-specific: Cybersecurity		X		The impact on cybersecurity occurs in our own operation due to cyber threats that could lead to data breaches or loss of data. This in turn would jeopardise our customer relationship and brand reputation and could create financial risks for HL. We mitigate through proactive actions, including building a resilient IT infrastructure and implementing our Cybersecurity policy.	Entity specific topic: Cyber security, page 57

(OO) Own operations, (UVC) Upstream value chain, (DVC) Downstream value chain S Impact on people, E Impact on environment



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Impact, risk and opportunity management

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

During the spring of 2024, HL Display carried out a double materiality assessment to determine material impacts, risks and opportunities. This assessment replaces the impact materiality analysis reported on in our Corporate Responsibility Report 2023 and forms the basis for our sustainability reporting going forward, this year focusing on impact materiality. Based on this double materiality assessment, pollution to air and water were deemed not material for HL. Cybersecurity was added as a material sustainability matter due to the increasing risk of cyber-attacks and the connected financial risk.

The double materiality assessment was conducted with help from an independent consultancy in accordance with the EU’s Corporate Sustainability Reporting Directive (CSRD) and the adopted European Sustainability Reporting Standards (ESRS) published in July 2023. The materiality assessment followed the principle of double materiality, comprising impact and financial materiality. According to double materiality, a sustainability matter is deemed material from one or both of the following perspectives:

- / Impact materiality: HL’s impact on people and/or the environment
- / Financial materiality: Sustainability matters that trigger effects on HL’s cash flows, development, performance, position, cost of capital or access to financing

The double materiality analysis was conducted in five steps:



Identification of gross list of ESG topics

Based on the gross list of sustainability matters and topics, including sub- and sub-sub-topics, included by the ESRS in the topic list provided in the adopted ESRS 1 General Requirements, an initial assessment of each topic in relation to HL was conducted. The initial assessment included HL’s business activities, locations, sector and value chain, as well as the results of the impact materiality assessment conducted in 2022. Preliminary sustainability matters and topics that are not covered by ESRS but could also be potentially material for HL were also assessed. The initial assessment produced a preliminary list of 33 sustainability topics spanning across HL’s value chain and time-horizons.

Process and stakeholder review

To ensure that the assessment was aligned with existing processes and stakeholder dialogues, process and document reviews, two workshops were conducted with HL’s Group Marketing Director, Sustainability Manager, Group CFO and representatives from the Finance team.

Environmental impacts, risks and opportunities, such as those related to GHG emissions and other climate change related risks, pollution, water and circular economy, were mapped through the environmental management system for the different

HL site locations and business activities. Furthermore, ongoing climate work, such as relating to GHG emission tracking and SBTi was used to identify and assess climate-related impacts, risks and opportunities. We have measured our carbon footprint, covering both our own operations and the entire value chain, in accordance with the GHG Protocol since 2018. Hence, our climate calculations served as a key foundation in the process of identifying and prioritising material climate-related matters. A climate scenario analysis has not yet been conducted. As we further develop the climate transition plan, we will incorporate a more comprehensive scenario analysis to serve as a foundation for this work.

Environmental impacts, risks and opportunities from resource use and circular economy were mapped based on HL’s business activities and existing circular economy strategy work, as well as resource inflows and outflows mappings done by different parts of the organisation, for example Purchasing.

The impacts, risks and opportunities related to our own workforce were mapped based in part on our annual High-Light employee engagement survey and existing HR data and processes. Impacts related to workers in the value chain and human rights were based in part on the current procurement and supplier management processes.

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In addition to the above, impacts, risks and opportunities related to business conduct were mapped based on the geographical locations in which HL operates, as well as business activities and established business processes.

Identified risks across all ESRS topics were in part mapped based on the established enterprise risk management system. Identified impacts, risks and opportunities in the aforementioned processes were added to the correlating sustainability topic in the gross list. Additional impacts, risks and opportunities were mapped based on results from HL’s existing stakeholder dialogues, additional internal documentation and desktop review.

Existing assessment methods were merged with the methods outlined in the adopted ESRS and used in the impact and financial materiality assessments. The mapped impacts, risks and opportunities were identified over the short-, me-dium- and long-term time horizons and to where in the value chain the impact, risk and/or opportunity is concentrated. The sustainability topics and identified impacts, risks and opportunities in each were then scored based on the criteria in the adopted ESRS 1 General requirements for impact and financial materiality.

Impact materiality assessment

After mapping the positive, negative, actual and potential impacts HL has on people and the environment within the sustainability matters, the impacts were scored and prioritised. Negative impacts were scored based on severity, a combination of scale, scope and remediability, and likelihood. Severity was prioritised over likelihood for negative impacts on human rights. Positive impacts were scored based on their scale, scope and likelihood. Scale, scope, remediability and likelihood were determined based on the criteria defined.

Appropriate thresholds were established based on quantitative assessment, existing processes and dialogue with HL’s sustainability team.

Financial materiality assessment

After mapping the risks and opportunities for HL triggered by a sustainability matter, respective financial effects were assessed based on the size of the potential financial effects and their likelihood of occurring. Scoring of these effects was aligned with the existing enterprise risk management assess-

ment. Appropriate thresholds were established based on the quantitative assessment, existing processes and dialogue with HL’s sustainability and finance team. The magnitude of the financial effect and likelihood were determined based on defined criteria.

Materiality mapping and documentation

Preliminary results were then validated by the Group Management team, and final adjustments were made. The materiality assessment resulted in five of the ESRS topical standards and 14 material sustainability sub-topics being deemed material.

Double materiality assessment results

The materiality assessment resulted in 14 material topics

Potential and actual impacts, risks and opportunities throughout the company’s value chain were identified and assessed according to the ESRS methodology. The assessment is done by comparing HL Display’s impacts, risks and opportunities.

Sustainability subtopics by materiality

Drive into the materiality distribution of your ESRS subtopics

			Enviromental	Social	Governance
Impact	Double	Financial			
Climate change mitigation	Resource inflows				
Energy	Resource outflows				
Waste					
Equal treatment (own workforce)	Working conditions (own workforce)				
Equal treatment (value chain)	Working conditions (value chain)				
Other work-related rights (value chain)					
Corruption & bribery	Corporate Culture	Entity-specific: Cybersecurity			
	Management of supplier relationships				

The placement of sustainability matters within the squares does not indicate degree of materiality. Potential and actual impacts, risks and opportunities throughout the company’s value chain were identified and assessed according to the ESRS methodology. The assessment is done by comparing HL Display’s impacts, risks and opportunities.

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Minimum disclosure requirements policies (MDR-P)

Having the right policies and processes in place is crucial for governing and managing our business in a sustainable and ethical manner. Our approach to corporate responsibility is outlined in our [Corporate Responsibility Policy](#), Code of Conduct and [Code of Conduct for Suppliers](#). The Corporate Responsibility Policy describes HL's corporate responsibility ambitions and is discussed and approved annually by the Group Management team and the Board of Directors. Read more about our policies on our website.

HL has been a member of the United Nations Global Compact since 2010. The principles of the Global Compact on human rights, labour, environment and anti-corruption have been, and continue to be, an integral part of our strategy, culture and day-to-day operations. The table below presents our key policies to manage material sustainability impacts, risks and opportunities. For more information about the scope and aim with policies in relation to specific topics, please see respective ESRS topical standard on the following pages.

Name of policy	Content and aim of policy	Sustainability Matter	Scope	Connection to external initiatives	Senior level accountable for implementation
Code of Conduct	HL's Code of Conduct outlines the minimum standards we require our employees and external stakeholders to comply with	<ul style="list-style-type: none">- Climate change mitigation- Energy- Waste- Resource inflows- Resource outflows- Working conditions (own workforce)- Equal treatment (own workforce)- Corporate culture- Corruption & bribery- Working conditions (value chain)- Equal treatment (value chain)- Other work-related rights (value chain)- Management of relationships with suppliers- Entity-specific: Cybersecurity	Own operation, upstream and downstream value chain	<ul style="list-style-type: none">- UN Global Compact- UN Guiding Principles on Business and Human Rights- OECD Guidelines for Multinational Enterprises	Group HR Director
Code of Conduct for Suppliers	HL's Code of Conduct for Suppliers outlines the minimum standards we require our suppliers to comply with	<ul style="list-style-type: none">- Working conditions (value chain)- Equal treatment (value chain)- Management of relationships with suppliers- Corruption & bribery	Upstream value chain	<ul style="list-style-type: none">- International Labour Organisation (ILO) conventions- UN Guiding Principles on Business and Human Rights- OECD Guidelines for Multinational Enterprises	Group Purchasing Director
Policy for employee diversity, inclusiveness and equality	HL Display recognizes that it is essential to provide equal opportunities to all employees	Equal treatment (own workforce)	Own operation, potential employees		Group HR Director
Policy for Working Environment, Health & Safety	Providing a safe and healthy work environment is essential to our business success	Working conditions (own workforce)	Own operation		Group HR Director
Policy for Whistleblowing	HL empowers all employees and other stakeholders to raise concern and 'speak up' if we believe that the terms of HL policies are not adhered to. Our Speak Up platform is available for all stakeholders through our external website.	<ul style="list-style-type: none">- Climate change mitigation- Energy- Waste- Resource inflows- Resource outflows- Working conditions (own workforce)- Equal treatment (own workforce)- Corporate culture- Corruption & bribery- Working conditions (value chain)- Equal treatment (value chain)- Other work-related rights (value chain)- Management of relationships with suppliers- Entity-specific: Cybersecurity	Own operation, upstream and downstream value chain		Group HR Director
Policy for Environment and Sustainability	Responsibility for the environment and instilling sustainability practices in our operations are important	<ul style="list-style-type: none">- Climate change mitigation- Energy- Waste	Own operation	UN Global Compact	Group Supply Chain Director

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E1 Climate Change

Material impacts

- / Climate change mitigation
- / Energy

HL is committed to minimising its impact on both the climate and the environment ¹. Scope 1 and 2 activities account for a minor part of total emissions, while 95% originate from activities in Scope 3, primarily from raw material use, accounting for 77% of total emissions. Plastics and metals have the greatest impact. To reduce these emissions HL are shifting to recycled materials and improved end-of-life management as much as possible.

As a manufacturer HL’s business activities require significant energy use across its facilities and value chain. HL has assessed energy as an actual negative impact on environment. To address this, HL focuses on improving energy efficiency across its operations and transitioning to fossil-free energy sources to minimise associated emissions.

¹ HL Display's manufacturing processes do not generate significant air pollutants, as we do not engage in combustion-based production or processes that release hazardous airborne emissions. Our primary environmental impact is related to energy consumption and material sourcing.

Governance

GOV-3 Integration of sustainability-related performance in incentive schemes

For information on how sustainability-related performance is integrated in incentive schemes, see [page 14](#) →

Strategy

E1-1 Transition plan for climate change mitigation

HL’s overall ambition regarding climate change is to achieve a 46% reduction in direct and indirect emissions (Scope 1 and 2) by 2030. Additionally, the company aims for a 22% reduction in other indirect emissions (Scope 3) per tonne of purchased material within the same timeframe. These science-based targets, approved by the Science Based Targets initiative (SBTi) in 2022, align with the Paris Agreement and aim to limit global warming to 1.5°C above pre-industrial levels, and underscore the company’s commitment to climate mitigation across its operations and supply chain.

HL strives to improve its climate-related performance by complying with set commitments, targets, policies, and standards, coupled with ongoing initiatives to reduce the climate impact throughout the entire value chain. Reducing the carbon footprint is a key goal for HL.

To achieve its science-based climate targets, HL has developed a climate transition and CO₂e reduction plan. The transition plan will continue to evolve over the coming years and contains key actions to reduce CO₂e emissions within two main areas: Direct and indirect emissions (Scope 1 and 2) and Other indirect emissions (Scope 3).

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E1 Climate Change >>

Key action to reduce direct and indirect emissions (Scope 1 and 2)

HL's key focus to reduce emissions within Scope 1 and Scope 2 is energy efficiency and generation of energy supported by targeted activities and measures.

Energy efficiency and generation of own energy

Electricity is the primary source of emissions in HL's own operations, and to address this challenge, we have implemented an energy-saving program. By investing in energy-efficient equipment, we reduce both energy consumption and maintenance costs. The ongoing efforts to optimise operations and strengthen environmental management in our factories are conducted in accordance with internationally recognised standards such as ISO 14001 environmental management system.

HL is gradually transitioning to 100% renewable energy to reduce the climate footprint in Scope 2. Therefore, we are investing in own energy production through the installation of solar panels. Several HL factories already rely on renewable energy or energy from fossil-free sources.

Key actions to reduce other indirect emissions (Scope 3)

HL is focusing on three key action areas to reduce emissions within Scope 3.

A circular approach

The circular approach is central to reducing HL's climate footprint across the value chain by integrating circular economy principles throughout its products' lifecycle, from design to end-of-life. This approach aims to minimise waste, maximise resource efficiency and extending material use through recycling and reparability where possible. We are committed to expanding our Circular Offer and developing sustainable products with a lower climate impact.

Making logistics more efficient

HL implements logistics improvements to optimise transport flows and reduce carbon emissions. By streamlining shipment consolidation, transitioning to more sustainable transport methods, and partnering with climate responsible logistics providers, efforts are being made to minimise climate impact and improve resource efficiency.

Helping customers reduce packaging and food waste

Food and packaging waste are significant drivers of carbon emissions, and their reduction can play a key role in mitigating global climate impacts. With our packaging-free merchandising solutions and the modular Sigma™ system, we help customers effectively reduce both packaging and food waste while simultaneously enhancing sales performance.

For more information on the transition plan for climate change mitigation see [page 26](#) →

Doing our part for the climate

2020

HL became signatories of the Science Based Targets initiative (SBTi)

2021

With support from ZeroMission, HL defined targets and developed a detailed action plan on how to ensure a reduction of HL's climate footprint in-line with SBTi's ambition

Targets and action plan were sent to SBTi

2022

Our targets were approved by SBTi

Future ambitions:

Our goals and action plan are in line with keeping global warming under 1.5° C, and include the following reduction decreases compared to the base year 2019:

Scope 1 and 2: 46% reduction of emissions by 2030	Scope 3**: 22% reduction per tonne of purchased material by 2030
	Work with our regular suppliers to get them to reduce the footprint of the materials we source
Switch to 100% green/renewable energy	Increase use of recycled material and bio-based materials
Decrease energy usage	
Generate own energy	Move away from fossil fuels for transportation of goods

Next step:

In the coming years, we will adapt and develop our climate-related targets to better align with the growth our business has experienced since 2021.

***Scope 3 emissions included in the target are emissions related to purchased material and transportation. This constitutes 84% of our total scope 3 emission during the base year of 2019.*

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E1 Climate Change >>

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

For information on material impacts, risks and opportunities and their interaction with strategy and business model see [page 18](#) →

Impact, risk and opportunity management

IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

For an overall description of the processes to identify and assess material impacts, risks and opportunities see [page 20](#) →

E1-2 Policies related to climate change mitigation and adaptation

The HL Corporate Responsibility Policy covers environmental and sustainability matters, addressing climate mitigation through the ambition to minimise environmental and climate-related impacts and to make sustainability an integral part of operations. We have a precautionary approach towards environmental challenges which means that we avoid dangerous materials when suitable and more environmentally friendly alternatives are available.

In 2024, we updated the content of the Corporate Responsibility Policy, including its environmental appendix, which was approved by the board in March 2025. The purpose of the update is to strengthen the integration of sustainability into our business and further define expectations on operations. The policy emphasises HL’s commitment to its science-based climate targets.

We actively co-operate with our customers and suppliers to support the development of environmentally and climate responsible solutions and practices to act on climate change mitigation. We work for long-term environmental and climate

efficient solutions within our field, through development, technological innovation and by minimising the use of non-renewable resources. To continuously minimise the environmental and climate-related impact of our products on air, water, and other natural resources, we are committed to a cradle-to-grave approach.

In line with our commitment to improve our climate-related performance, we have developed a climate action plan and outlined measures and activities to manage the impacts, risks and opportunities related to climate change.

E1-3 Actions and resources in relation to climate change policies

Overall, HL is on track to achieve its climate-related targets, but significant work remains to be done before 2030. In 2024, the reduction in carbon emissions was limited compared to the previous year. However, HL remains committed to its action plan and has taken measures that should lead to a significant reduction of carbon emissions in the coming years. Throughout the year, HL focused on investing in more energy-efficient equipment, enhancing its own energy generation and improving sourcing and design to incorporate more recycled and sustainable materials. Improving energy use, waste management and transport efficiency continues to be crucial, and most importantly, the focus on sourcing more sustainable raw material. We believe that the best way to counteract the carbon footprint of our industry is by decreasing the amount of virgin fossil-based plastic used.

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E1 Climate Change >>

Key actions to reduce direct and indirect emissions (Scope 1 and 2)
HL's primary focus for reducing emissions within Scope 1 and Scope 2 is by improving energy efficiency and enhancing energy generation, supported by targeted initiatives and measures. Below is an overview of key actions and progress made in 2024.

Key actions and progress during 2024 are:

Energy efficiency
Electricity is the main driver of emissions in our operations which is why we established an energy saving program to address this challenge. All our operational sites undergo assessments for energy use and GHG emissions. We conduct regular energy audits and monitor the carbon footprint of each unit. In 2024, 100% of our operational sites were assessed for energy efficiency and GHG emissions. In 2024, investments in installation of solar panels and in more energy efficient equipment were made. We are committed to reducing our energy consumption in factories and Regional Distribution Centres (RDC) and transitioning to using renewable energy sources.

/ Renewable energy and generation of own energy
The factories in Sundsvall, Sollentuna, Bühl and Gliwice rely on energy from non-fossil fuel sources. Early in 2024, the installation of solar panels at the Harlow factory was completed. These panels now generate an average of 15% of the factory's total energy consumption, significantly reducing reliance on the grid and lowering emissions. In Gliwice and Suzhou, new solar panels were installed as well. The first installation in Suzhou was completed in early July, and by December 76,000 kWh had been generated, contributing to the factory's energy supply. A second installation of solar panels will start in March 2025.

/ Decrease energy usage
To support energy management, we are investing in more energy efficient equipment. For example, dryers were installed in the factory in Gliwice to lower energy consumption and maintenance costs. By replacing older robots and mixers with more energy efficient models, we have reduced the energy usage by 40%.

In addition, we have prioritised the use of LED lightening and controlling systems. In 2023, these systems were installed across RDCs Central and West as well as in our factories in Gliwice and Sundsvall. Furthermore, a heat exchanger and heat pump were installed in the factory in Sundsvall in the end of 2023 to optimise heating for both the facility and water. With more machines in production, the temperature in the wastewater increases and thanks to the heat exchanger and pump, the wastewater is reused to heat the building. This upgrade is projected to save 600 MWh annually.

/ Reducing water consumption
Water is used during the production process when cooling extruded and injection-moulded plastic products. By reducing water consumption, less energy is used in treating, heating and in processing wastewater. The reduction of water usage contributes to a more energy efficient operation, leading to lower carbon emissions. In 2024, our company's production facilities utilised 330,903 m3 of water (2023: 384,013 m3). The majority of water consumption occurs at the Sundsvall factory, which draws water from their own well. 21,288 m3 of the total water used by HL came from municipal sources (2023: 19,792 m3), constituting 6% of total water consumption (2023: 5%).

/ Environmental management systems and certificates
We ensure minimal waste generation through management systems and policies for quality, work and conduct. Our continuous improvement of operations and environmental management in our factories are guided by internationally recognised standards. This is necessary not only to drive efficiency across all that we do but also to foster engagement among our employees. We utilise the ISO 14001 environmental management system to manage its environmental responsibilities in a structured and systematic way.

All RDCs are certified to this standard, along with four out of five legacy factories, which account for 85% of production volume. The objective is to certify the fifth factory in 2025. None of the aquired factories are certified with the exception of kostklip which holds an ISO 14001 certificate since 2024. We are fully compliant with REACH, the EU's chemical legislation, and we require suppliers to sign a letter of commitment with regards to REACH.

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Key actions to reduce other indirect emissions (Scope 3)

HL is focusing on three key action areas to reduce emissions within Scope 3. Key actions and progress during 2024 are:

A circular approach

The circular approach is a cornerstone in the company’s climate action plan and efforts to reduce its climate footprint. Through this strategy HL is developing a sustainable offer to meet the increasing demands of stakeholders. For more information about the circular approach read E5-2 Actions and resources related to resource use and circular economy on [page 34](#) →

Activities that support the circular approach and climate action plan include:

/ Encouraging suppliers to reduce the environmental footprint of materials

Recycling and use of recycled material are critical to our sustainability strategy and climate ambitions. Therefore, we encourage our suppliers to reduce the environmental footprint of the materials sourced. For example, PVC can be recycled multiple times, reducing reliance on virgin raw materials and lowering carbon emissions. However, challenges in sourcing high-quality recycled PVC remain. As the demand for recycled materials grows, we face challenges in maintaining quality while reducing emissions. For recycled PVC, these challenges include cleanliness and durability, but through innovation and collaboration, we are finding solutions that align with our climate goals. Additionally, we are working with suppliers to get more accurate carbon footprint data of raw materials, for example by performing a Life Cycle Assessment (LCA) with one of the recycled PVC suppliers, Thevinyl. The objective is to define the specific carbon footprint of the PVC we use.

/ Sustainable innovations and recycled PVC

We have partnered with two suppliers of PVC granulate to ensure that recycled materials meet the required quality and lifespan standards while tailoring the granulate to our specifications. As a result of this collaboration, a new PVC compound has been developed which incorporates recycled PVC, aiming to balance environmental benefits with the durability and performance that customers expect. The factory in Sundsvall is actively working to increase the use of recycled PVC to 20% of total PVC usage, and project evaluations confirm that this initiative will save approximately 730 tonnes of CO₂e emissions. Since PVC is our most used plastic and the biggest contributor to CO₂e emissions among plastics due to its high usage in production, this collaboration supports our Scope 3 target of reducing emissions per ton of purchased material by 22% by 2030.

/ Smarter sourcing

Smarter sourcing has been another priority to lower the carbon footprint. In 2023, HL and Thevinyl ensured that all virgin PVC compounds were sourced from Sweden and Norway, where production benefits from a low-carbon energy mix. Thevinyl’s enhanced testing facilities further improve the quality and durability of recycled PVC, ensuring it meets customer expectations while reducing emissions throughout the value chain. Through partnerships like the one with Thevinyl, we advance sustainable material innovation. By integrating low-carbon sourcing, recycled content and enhanced durability, we are cutting emissions and driving a more sustainable future for the materials industry.

/ Developing Product Passport model

We have seen growing interest and inquiries from customers regarding sustainability in the supply chain, driven in part by increasing regulations. In response, we are developing a Product Passport model that will provide customers with detailed information on materials, weight, packaging, and CO₂e footprint calculations.

Making logistics more efficient

All of HL’s transport suppliers are required to have environmental programs in place, with EuroVI environmental class mandated for all new freight forward suppliers since 2018. As part of its commitment to reducing carbon emissions, HL implemented several logistics improvements in 2024.

/ Consolidation of freight flows and increased fill rate

In 2023, we consolidated freight flows from Asia in collaboration with freight logistics partners, for two out of the three product groups sourced from the region. In 2024, the consolidation was expanded to include the final product group. By consolidating all HL component shipments to the Gliwice factory, container fill rates were optimised, leading to reduced carbon emissions.

/ Reducing freight distances

The introduction of a new logistic partner in the Nordics has helped us to reduce freight distances and, in turn, our emissions. This has been done through improving batch and box sizes to increase fill rate as well as by reducing the amount of linehauls to Norway and Finland.

/ Transition of moving goods from track to rail

In 2024, a new transportation set-up for the Sundsvall site was launched. The distribution flow to Denmark completed the final step in the transition of moving goods from truck to rail. All factory export volumes, along with volumes for the Danish market, are transported through this flow, saving up to 250 full truckloads through Sweden annually.

Helping customers reduce packaging and food waste

Food waste is largely unnecessary and significantly contributes to carbon emissions during its life cycle from farm to fork and beyond. Reducing the global food waste would lead to a

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substantial decrease in carbon emissions worldwide. Customised and flexible packaging sizes have been identified as a measure to reduce the risk of food waste in households.

We offer two effective solutions to help customers and end-users minimise packaging and food waste: a range of packaging-free merchandising solutions and the Sigma™ system. With Sigma™, a modular merchandising solution for fruit and vegetables, customers can create visually striking displays showcasing a wider range of fresh produce while minimising the need for extensive on-shelf inventory which can lead to waste. Customers who have implemented Sigma™ have reported a simultaneous decrease in food waste and an uptick in sales.

Metrics and targets

E1-4 Targets related to climate change mitigation and adaptation

HL's climate-related targets and transition plan are science-based and have been approved by the SBTi. They align with the objective of limiting global warming to under 1.5°C and include the following emission reduction targets to be reached by 2030, compared to the base year 2019:

- / To reduce our direct and indirect emissions (Scope 1 and 2) by 46%
- / To reduce our other indirect emissions (Scope 3) by 22% per tonne of purchased material

The Scope 3 emissions included in the climate-related target are emissions related to purchased material and transpor-

tation. This constitutes 85% of the total Scope 3 emissions during the base year.

Additionally, we have set the following targets to support the main climate-related targets and the transition plan, to be reached by the end of 2025:

- / All legacy HL factories to be ISO 14001 certified
- / Increase the share of recycled plastic to 12% of total plastic consumption
- / Identify and transition to lower-carbon material alternatives

In 2024, the different reporting units utilised the climate-related data to set entity specific targets to ensure progress towards the company's overall targets. Each factory's targets are aligned with the type of products they produce and raw materials they use. Additionally, a monthly report was introduced to track the weight of recycled material used per factory, offering support and motivation to increase recycled material usage across the group.

E1-5 Energy consumption and mix

Electricity and heating accounted for 5% (2023: 7%) of the total carbon emissions in 2024. HL's electricity consumption in production amounted to 22.92 GWh (2023: 23.2 GWh), with 60% (2023: 60%) of the energy sourced from fossil-free sources (market-based method). The factories in Sundsvall and Sollen-tuna operate entirely on fossil-free energy, while the factories in Bühl and Gliwice operate on renewable energy from wind and own generation of energy from solar panels. The remaining three factories still rely on fossil fuel sources. However, we remain committed to reducing electricity consumption across our operations and identifying more sustainable alternatives.

In 2024, solar panels were installed at the Harlow and Suzhou factories. In addition, further solar panel installations are under construction in Gliwice and Suzhou and are set to become operational in 2025. In total, we will have access to 6,879 m² of solar panels, contributing with approximately 1,120 MWh per year, approximately 5% of HL's total energy consumption.

Energy consumption and mix		2024
Total energy consumption from fossil sources:		
(1) Fuel consumption from coal and coal products [MWh]		0 MWh
(2) Fuel consumption from crude oil and petroleum products [MWh]		1,315 MWh
(3) Fuel consumption from natural gas [MWh]		4,622 MWh
(4) Fuel consumption from other fossil sources [MWh]		0 MWh
(5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)		9,638 MWh
(6) Total energy consumption from fossil sources		15,575 MWh
Share of total energy consumption from fossil sources [%]		52.87 %
(7) Total energy consumption from nuclear sources [MWh]		3,251 MWh
Share of total energy consumption from nuclear sources [%]		11.04 %
(8) Fuel consumption of renewable sources, including biomass		0 MWh
(9) Fuel consumption from renewable sources [MWh]		10,408 MWh
(10) Consumption of self-generated non-fuel renewable energy [MWh]		223 MWh
(11) Total energy consumption from renewable sources		10,631 MWh
Share of total energy consumption from renewable sources [%]		36.09 %
Total energy consumption (MWh)		29,457 MWh

Table: Data location based

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E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

95% (2023: 94%) of HL's climate impact stemmed from activities in Scope 3, including both upstream and downstream emissions. The remaining 5% of HL's carbon footprint came from Scope 1 and 2 activities, which are more directly tied to the company's internal operations.

In 2024, the total CO₂e emissions amounted to 92,097 tonnes (2023: 89,148 tonnes), an increase of 3% compared to 2023. This increase is mostly due to a refinement in our calculation methodology, correcting a previous underestimation of emissions at the Gliwice factory as well as an increase in production and more purchased materials. The use of purchased raw materials accounted for 77% (2023: 76%) of our total 2024 greenhouse gas emissions. Plastics have the most significant adverse impact, closely followed by metal.

External transportation of goods, both inbound and outbound, contributed with 8% (2023: 9%) to the emissions. In 2024, the use of sold goods, particularly the Ad'Lite™ LED shelf light system, represented 5% (2023: 3%) of our overall carbon footprint. At the end of 2023, we launched a new range of Ad'Lite™ that is 16% more energy-efficient, brighter, and has a longer lifespan, helping to reduce emissions in this area. However, the extended lifespan also leads to increased overall energy consumption due to prolonged use. The revised calculation of Ad'Lite contributed to the increase of emissions as a 53% increase was observed compared to the 2023 calculation.

Emissions from companies acquired in 2024 have been included in HL's total emissions for the same year, with the exception of kostklip in Canada, which was acquired too late in the year to be reflected.

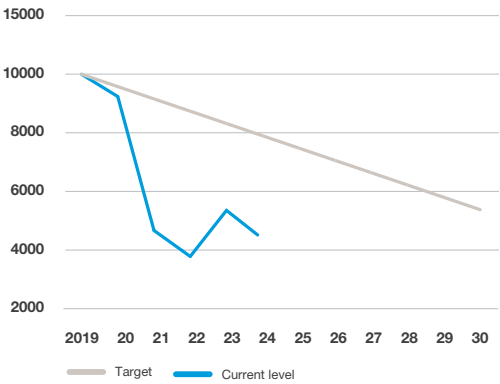
Direct and indirect emissions, tCO₂e (Scope 1 and 2)

We monitor all relevant Scope 1 and 2 GHG emissions across our entire operations. This includes direct emissions from fuel consumption in our factories (Scope 1) and indirect emissions from purchased electricity and energy use (Scope 2). HL's target is to reduce the Scope 1 and 2 emissions with 46% by 2030 compared to the baseline levels set in 2019. Last year a slight increase in emissions was due to the acquisition of three companies, combined with increased production volume at the Harlow factory, which relied on standard electricity. To offset the increased carbon emissions from electricity, we have implemented several measures, including utilising solar panels at the factories in Harlow and Suzhou, which have helped reduce emissions from purchased electricity. The largest reduction compared to last year's results is driven by the transition of production from the Oechsle factory in Leipheim, to Gliwice in 2024, as the German factory relied on non-renewable energy while the factory in Gliwice operates on 100% renewable energy. Also, two of the recently acquired factories in Bühl and Sollentuna reported using fossil-free energy sources instead of standard energy. Sustained efforts in energy efficiency are crucial to prevent emissions from escalating, considering that the aim is also to grow our business organically year on year.

Other indirect emissions (Scope 3) per tonnes of purchased material, tCO₂e

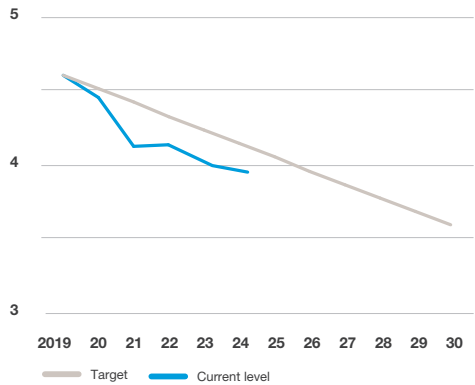
For Scope 3, HL has established an intensity target, aiming to reduce the emissions with 22% per tonne of purchased material until 2030. Currently, emissions are 15% (2023: 14%) lower per tonne compared to 2019. The primary reduction came from transportation, driven by a switch to a provider with more rail transport and capable of delivering more precise transport data. In the long-term, increasing the use of recycled materials is expected to be a key factor in reducing the Scope 3 carbon footprint, with positive indications already emerging in this direction.

Scope 1 and 2 emissions, tCO₂e



Note: Data adjusted for acquisitions post-2019, per SBTi methodology

Scope 3 emissions per tonnes of purchased material, tCO₂e



Note: Data adjusted for acquisitions post-2019, per SBTi methodology

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Gross Scopes 1, 2, 3 and total GHG Emissions

	Retrospective			
	Base year	2023	2024	% N /N-1
Gross Scope 1 GHG emissions (tCO ₂ eq)	1,895	1,536	1,397	-9%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	7,594	6,533	7,517	15%
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	8,100	3,817	3,211	-16%
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	94,432	83,794	87,488	3%
Purchased goods and services	73,448	67,888	71,242	5%
Capital goods	3,270	1,534	1,997	30%
Fuel and energy-related activities (not included in Scope1 or Scope 2)	1,626	1,340	1,061	-21%
Upstream transportation and distribution	2,133	1,963	2,183	11%
Waste generated in operations	59	13	12	-5%
Business travel	781	396	412	4%
Employee commuting	876	997	889	-11%
Upstream leased assets	-			
Downstream transportation	326	6,486	5,184	-20%
Processing of sold products	-			
Use of sold products	8,170	2,871	4,388	53%
End-of-life treatment of sold products	284	306	121	60%
Downstream leased assets	-			
Franchises	-			
Investments	-			
Total GHG emissions (location-based) (tCO ₂ eq)	103,922	91,339	95,659	5%
Total GHG emissions (market-based) (tCO ₂ eq)	108,718	89,148	92,097	3%

Table: In 2024, the total carbon footprint of HL was 92,097 tonnes of CO₂-equivalents. Of that, Scope 3 amounted to 87,488 tonnes, Scope 2 to 3,211 tonnes and Scope 1 to 1,397 tonnes (all numbers, market-based method).

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Calculation methods for greenhouse gas emissions

The carbon footprint calculation plays an important role in the process to identify and assess climate related impacts, risks and opportunities. The calculations establish a baseline for improving HL's operations and directing efforts to reduce the climate-related impact. All HL units, including those acquired during the year are included in the carbon footprint calculation. The only exception is the latest acquisition, kostklip in Canada.

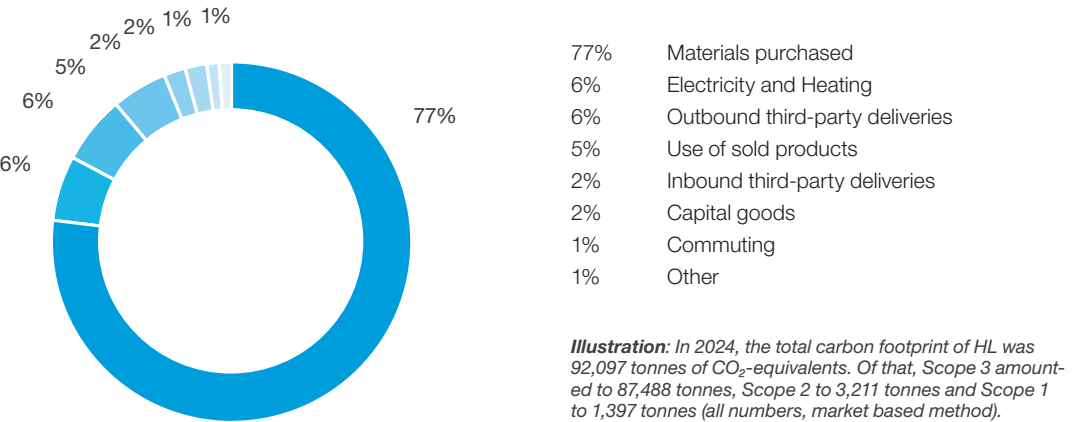
In 2019, we implemented a tool called Our Impacts to facilitate data collection, compilation, and analysis of our carbon footprint. Our Impacts enables collaboration across different parts of the organisation, organising data by reporting units allowing for year-to-year comparisons and target setting. This structure ensures data quality and makes it possible to monitor emissions regularly. We have set our SBTi targets using this tool.

Our inventory includes Scope 1 and 2 emissions, as well as Scope 3 emissions related to purchased materials, transportation, and other indirect sources. The GHG inventory is updated at least once per year to ensure accurate tracking, reporting, and progress toward our emission reduction targets. Emissions are calculated using a combination of primary and secondary data, depending on availability and resource usefulness in the value chain. The calculations follow the methodologies and guidelines of the GHG-protocol. Estimation methods used to map GHG-emissions may, for example, include extrapolation and estimation of distances in relation to transportation, based on best knowledge. HL aims to improve the precision of activity data and enhance the accuracy of emission factors, particularly for the raw materials used. Additionally, we have conducted Life Cycle Assessments

(LCAs) on selected products to better understand their carbon footprint and identify opportunities for improvement.

To ensure data integrity, ZeroMission, an external consultant, validates reported data before closing the year. Although this is not equivalent to a third-party audit, this process ensures accurate documentation of main emission drivers and investigation of any anomalies. This effort supports our transition toward CSRD-aligned sustainability reporting, and we are currently evaluating third-party assurance options to further enhance transparency and credibility.

Emission of greenhouse gases divided per activity



GHG intensity per net revenue

GHG intensity per net revenue	2023	2024	%N/N-1
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/Monetary unit)	38.96 tCO ₂ / million SEK	34.67 tCO ₂ / million SEK	-11%
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/Monetary unit)	38.03 tCO ₂ / million SEK	33.38 tCO ₂ / million SEK	-12%

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Material impacts

- / Resource inflows
- / Resource outflows
- / Waste

The use of purchased raw materials accounted for 77% (2023: 76%) of HL’s greenhouse gas emissions in 2024. By increasing the use of recycled and bio-based materials and reducing waste from our products, we have a significant opportunity to reduce climate impact along the value chain.

The interest in recycled materials is rapidly growing, and an increasing number of companies are actively pursuing significant initiatives to improve recycling efforts and the utilisation of recycled materials. However, the demand for high-quality recycled materials consistently surpasses supply, creating sourcing difficulties. This challenge is further complicated by the need to balance customer expectations with the rising costs of using for example recycled plastic. There is an opportunity to incorporate more recycled material by reimagining product design as well as through innovation. However, obtaining recycled plastic of sufficiently high quality has been a challenge. Therefore, HL’s focus has been on recycling as much plastic material as possible from own factory waste, and on recovering old products from customers to recycle and reuse in production.

Impact, risk and opportunity management

IRO-1 – Description of the processes to identify and assess material resource-related impacts, risks and opportunities

For information on the processes to identify and assess material impacts, risks and opportunities, see [page 20](#) →

E5-1 Policies related to resource use and circular economy

Resource use and circular economy are closely linked to climate change. Both topics are addressed in the HL Corporate Responsibility Policy appendix on environment and sustainability. For more information on the environmental appendix read E1-2 Policies related to climate change mitigation and adaptation, see [page 26](#) →

In line with the commitment to increased circularity, as outlined in the Corporate Responsibility Policy, HL imposes the following requirements on its suppliers:

- / Monitor, track and document the consumption on natural resources - such as water, raw materials and energy sources - to identify factors they can control or influence, seeking continuous improvement and reduced consumption
- / Ensure proper management of waste materials by continuously minimising the environmental impact and actively pursuing recycling opportunities
- / Increase the use of recycled materials

HL is also committed to continuous improvement and strives to recycle all its production waste. In line with this commitment, the company is also working to develop products and solutions that generate less waste or produce valuable resources after use.

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E5-2 Actions and resources related to resource use and circular economy

HL has established an approach with six key actions to minimise resource consumption, emissions, and waste throughout the product life cycle. Through continuous improvements and innovation, the company strives to lead sustainable product design and manufacturing in its field. HL is transitioning

toward circular business models by promoting material reuse and recycling while collaborating with suppliers to ensure responsible sourcing and production.

HL's approach to sustainability aims to enable the company to meet customer expectations for sustainable products and services and contribute to a more circular society.

Developing a sustainable offer

With rising demand for sustainable products, HL focuses on developing products with low carbon impact and innovative solutions like packaging-free merchandising to reduce environmental impact while meeting customer expectations.

Rising demands for sustainable products

In recent years, there has been a noticeable increase in awareness of and interest in sustainability among our customers. While much of this interest remains focused on plastics, particularly reducing plastic usage, HL is also working on incorporating renewable materials, improving recyclability, and increasing the use of recycled content.

To meet its customers' demand, HL introduced HL Sustainable Choice, a range of merchandising solutions partially made with bio-based and recycled materials in 2018. Developed in collaboration with academic research institutions, the initial product line-up included datastrips and shelftalkers. Since 2019, HL has extended the Sustainable Choice option, showcasing commitment to offering environmentally friendly alternatives. Currently, the Sustainable Choice offer accounts for around 13% of sales.

Following the acquisitions of Oechsle Display Systems and werba print & display in 2023, HL has been able to move beyond plastics when it comes to its more sustainable offer. Oechsle has introduced a divider made from paper as an alternative to plastics, offering the advantage of full recyclability at the end of its lifecycle. Additionally, werba, an expert for printed and custom-made solutions, uses a water-based, solvent- and odour-free paint, minimising its downstream environmental footprint.

Our approach to circularity



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Packaging-free merchandising

HL offers a broad range of scoop, gravity and liquid bins that can be combined to create a perfect packaging-free section. While the number of retailers and branded goods suppliers who adopted packaging-free merchandising has plateaued, we still see the benefits of merchandising products in dedicated shelf sections, aisles or sustainable stores. The reduction of plastic usage and waste is emerging as a top priority for an expanding group of retailers and suppliers. While France has been at the forefront of driving innovation in this area, influenced by legislation and government initiatives, similar legislative trends are occurring in Germany and Spain. France aims to dedicate 20% of store floor space to bulk merchandising by 2030, with a ban on plastic packaging for most fruit and vegetables. We expect this trend to continue to spread across Europe in the coming years, despite challenges related to changes in shopping behaviour and store operations.

Innovation in the value chain

In recent years, there has been a noticeable increase in the demand for HL Sustainable Choice options, particularly from branded goods suppliers.

Growing HL Sustainable Choice in 2024

Our aim is to increase the sales of HL Sustainable Choice by 10% during 2025. For some products, customers can choose virgin, recycled or bio-based material. However, selected HL products, such as Optimal™ dividers and the 4eBin™ range always are made with recycled plastics which contributes to the transition to alternative materials. HL remains focused on broadening its range of Sustainable Choice solutions and ensuring a sufficient and growing supply of quality material.

In 2024, we added two products to the Sustainable Choice assortment, Facer™ and Multivo™ with black divider. Addi-

tional improvements were implemented and several projects initiated, with the result of more products being introduced into the Sustainable Choice range in the beginning of 2025, such as Multivo™ Max. There are also plans to add more products throughout the year. Looking forward, our goal is for HL Sustainable Choice to become the default option at HL, further solidifying our commitment to sustainability.

Sustainable production

We are committed to sustainable production by optimising processes to reduce waste, improve waste management and utilising resources efficiently, to minimise our environmental impact and support a circular economy.

Advancing HL Sustainable Choice; assortment development 2024

Advancing HL Sustainable Choice; assortment development 2024

- / Facer™ offers our customers' employees a more ergonomic and efficient solution for merchandising products like wine bottles, known for being time-consuming and challenging to handle. By transitioning the plastic used in Facer™ to recycled plastic, we will replace nearly 27 tonnes of virgin plastic annually with approximately 70% recycled material.
- / Multivo™ is a pusher system that ensures automated front-facing and more efficient refilling. Its transparent divider is partly made from recycled PET and in 2024, we launched a black divider option made with 100% recycled PET. In comparison to Multivo™ with a divider made of virgin PET, 572kg of CO₂e emission are saved for 1,000 units produced.
- / Multivo™ Max is a highly flexible wire metal pusher tray which keeps shelves perfectly merchandised. Multivo™ Max will be produced partly made from recycled plastics as of 2025 which will decrease the usage of virgin plastic by 34 tonnes per year and 69 tonnes of CO₂e emissions.

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Sustainable production and waste management

To meet growing demand for recycled plastic and circular solutions HL continues to develop its Circular Offer. To be able to reintegrate material from products at end-of-life and extend the lifetime of materials, HL cooperates with external recycling providers to recycle products and source recycled material. Since 2023, our factory in Gliwice, is able to close the loop on dividers in partnership with a recycler. As a result, the factory was able to recycle 56 tonnes (2023: 13 tonnes) of material from used products in 2024.

Throughout 2024, HL continued its commitment to transitioning towards more sustainable packaging materials in its own operations.

Improving waste management

We assess waste generation at all our facilities. Waste audits are carried out annually at 100% of our sites. HL aims to recycle as much of the waste generated in its production processes as possible. Waste that cannot be recycled internally is sold to external parties. The aim is to have 100% of the safe production waste recycled in some form. In 2024, these efforts led to increased recycling rates in some of the facilities as well as less waste being sent to landfill. Waste is now divided into more subcategories and recycled. For example, the factory in Gliwice increased the selected waste collection to 40% (2023: 15%).

Use of sustainable and recycled material

We strive to reduce reliance on virgin fossil-based plastics by prioritising sustainable sourcing and increasing the use of recycled and bio-based materials. Product design prioritise durability and reparability whenever possible, extending product lifecycles and supporting the transition to more sustainable solutions.

Reducing the use of virgin fossil-based plastics

HL’s main raw material is plastic, mostly PVC and PET. To reduce the carbon footprint, we focus on reducing and recycling our production waste, minimising the use of virgin fossil-based materials through efficient design and production processes, and reinforcing the utilisation of recycled materials. Simultaneously, we are actively exploring alternative material solutions, such as bio-based plastic and sustainable additives. HL strives to drive innovation and manage end-of-life treatment of its products, including the reuse of material from customers via recycling partners.

The ambition to reduce raw material consumption and minimise generated waste is evident in HL’s efforts to enhance and streamline production processes. During the year, we continued to improve planning and production control. For example, a new production planning software was implemented which will optimise production batches while reducing scrap during set-up and production. Furthermore, in order to reduce scrap and increase internal sourcing of raw material, investments in tool making and tool maintenance capabilities were made in Gliwice and Sundsvall. The Sundsvall factory has the objective to source 20% of all PVC used from recycled PVC in 2025, which will lead to approximately 800 tonnes of virgin plastic to be replaced with partially recycled plastic in new product production, resulting in an estimated carbon savings of around 730 tonnes of CO₂e.

Sourcing and designing for increased sustainability

HL continues to focus on increasing the sourcing of recycled materials from external sources. The greatest ongoing challenge lies in ensuring that the material meets the required quality standards, as it must align with production processes while meeting customers' expectations for the products’

appearance and tactile experience. For instance, when a high level of transparency is required, only very high-grade materials can be used. Additionally, the costs associated with recycled materials often surpass those of virgin materials. HL has partnered up with suppliers to find new innovative solutions to this problem. To further facilitate the sourcing of recycled materials, HL’s Group Purchasing team began outlining the quality requirements by initiating two projects in 2023 - mapping recycled plastic materials and developing quality standards.

The first project focuses specifically on traceability and availability of recycled plastic material. The project enabled us to gain a comprehensive overview of the collective status of purchased recycled plastic and has initiated monitoring procedures for plastic recycling in each factory. Monthly follow-ups have been performed during 2024, emphasising the project’s commitment to ongoing assessment and improvement. While the project was led by the Group Purchasing team, Product Managers provided significant input. During 2023 and 2024, the Group Purchasing team delved further into understanding the different qualities of recycled material which is required from the company’s suppliers.

The second project involved close discussions with Product Managers to determine and establish product and quality standards in order to improve internal processes and products. In 2024, HL conducted various follow-up procedures including, for example, monthly reporting of recycled plastic material consumption. The company is also redesigning the supply chain set-up for recycled PVC to ensure the quality of the material and an even supply.

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In 2024, HL has invested approximately 1,000 production hours in evaluating new sources and materials, a significant increase compared to the previous year (2023: 300 hours). This effort has resulted in the successful inclusion of new sources for recycled materials, including PVC, PET and HIPS. A growing number of the company's suppliers now offer our primary raw materials in recycled forms.

Moving from fossil-based to bio-based

To support and enable customers to transition to more sustainable stores, HL is striving to become an industry leader in alternative materials and solutions. Since 2018, HL has been using the bio-based plastic PLA, derived from renewable sources such as plant starch from sugarcane and corn. While the adoption of PLA-based products has historically been constrained by elevated material costs, we anticipate that challenges associated with bio-based plastics, such as cost and recyclability issues, will gradually be resolved.

Throughout 2024, HL has established new partnerships to develop innovative products made from bio-based materials and industrial by-products. This includes the use of lignin, a by-product from paper production, as well as other materials that are otherwise considered waste such as UBQ, a raw material made from household waste.

Designing for durability and reparability

HL is committed to not only increasing the use of recycled materials but also extending product lifespans and enhancing durability. Moving forward, we will also place a stronger emphasis on reparability. To support these efforts, we have developed a durability index and a reparability index through which all products are evaluated and assigned a final score. This initiative will help us and our customers extend product lifespans and guide more sustainable decisions throughout

the design process. Currently, these indexes are used as a tool in HL's research and development, and we plan to build on this by introducing defined durability benchmarks for each product category, drawing from industry standards and in situ testing, with the ambition to extend product lifespans over time.

Logistics

HL has implemented several initiatives to make logistics more efficient and environmentally friendly. These include consolidating freight flows to optimise container usage, reducing freight distances with improved logistics setups, and transitioning transport from trucks to rail to lower emissions. For more information about our key actions in the field of logistics, see [page 28](#) →

A Circular Offer

We are committed to advancing a circular economy together with our customers, by developing solutions that prioritise resource efficiency, manage product end-of-life and increase recyclability as well as the reuse of materials. The goal is to create products that contribute to a more sustainable future by minimising waste and maximising value throughout their lifecycle.

Moving towards a circular economy

We believe that embracing circularity and fostering collaboration are essential for driving sustainable development. HL actively pursues measures to enhance the contribution to a circular economy and has created a Circular Offer. This journey began in 2020, when we started to collect our products at the end of their lifecycle. By managing the end-of-life of our products, we have addressed specific challenges related to sourcing recycled material of adequate quality, as well as preventing the disposal of our products in incinerators or landfills. The launch of the Circular Offer as a pilot project with Tesco in

2020 marked a significant milestone, followed by a similar circular initiative with Kesko and S Group in Finland in 2021 and 2022, respectively. In 2023, we engaged in a new collaboration with Megamark, in Italy. This project has entered its next phase, and we have collected and recycled approximately 4 tonnes of recycled PET-plastic by reclaiming and repurposing old dividers from our partner.

Additionally, we have strengthened our partnership with dm, a German drugstore retailer, by completing 17 collections of used dividers throughout the year, in total 100 tonnes of worn-out products. These dividers are processed and reused to produce new dividers made from recycled PC. We also launched a new closed loop project with Wawel in Poland and have initiated four additional projects with our partners.

We aspire to extend our Circular Offer to more customers worldwide but are aware that the widespread application of this solution will take time, given in part to the challenge of efficiently retrieving material.

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Metrics and targets

E5-3 Targets related to resource use and circular economy

HL has established targets to support its commitment to circularity by increasing the use of sustainable and recycled material. These targets guide us and drive progress toward more sustainable production and reduced environmental impact. By the end of 2025, we aim to:

- / Increase the share of recycled plastic to 12% of total plastic consumption in production
- / Increase the use of recycled PVC in production to at least 20% on average
- / Increase the sales of the HL Sustainable Choice offer by 10%

We are also continuously improving and working towards our target of 100% internal or external recycling of our production waste. In 2024, 90% of plastic production waste was recycled.

E5-4 Resource inflows

HL primarily utilises plastics such as PVC and PET. In addition, a considerable amount of aluminium, steel and other types of materials are used. HL strives to reduce use of primary raw materials while increase use of recycled materials. In 2024, HL used 16,834 tonnes (2023: 15,565 tonnes) of material in production including plastics, metals, traded goods and more. The data for 2024 includes the companies acquired during 2023, adding two more factories and higher production volumes. Plastics comprised 64% (2023: 67%) of the material used, and 9.4% (2023: 8.4%) were either recycled or bio-based.

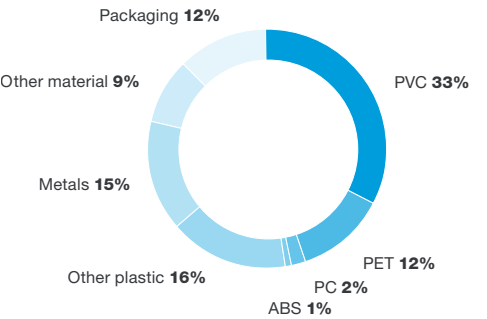
62% of plastic used in production were sourced from external suppliers and 38% were scrap from our factories. This corresponds to an increase in external sourcing of recycled plastic to 712 tonnes (2023: 467 tonnes), and 439 tonnes of recycled plastic from internal production waste.

All in all, we increased the use of recycled plastic in production with 27% (2023: 7.1%). By consistently working on this initiative and tracking production through monthly scorecard reporting, we successfully achieved our goal of increasing recycled plastic usage by 10% by the end of 2024. Moving forward, all our factories will provide monthly reports on recycled material usage.

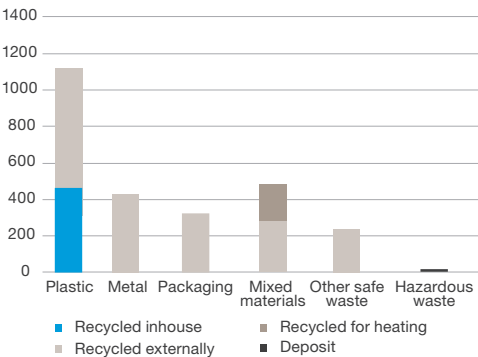
E5-5 Resource outflows

In 2024, our factories produced 2,994 tonnes (2023: 2,643 tonnes) of safe waste with 1,438 tonnes (2023: 1,292 tonnes) constituting plastic waste. The overall waste rate, measuring the relation of waste to material used, was 18% (2023: 17%) in 2024. Specifically for plastic material, the waste rate was 16% (2023: 12%). The increase in the waste rates in 2024 is due the increase of production and integration of new production facilities. In total, 87% (2023: 86%) of safe waste from production in our factories was recycled and 14% (2023: 15.2%) of safe waste was recycled in our own production. In 2024, 18 tonnes of hazardous waste were produced and sent to certified recyclers for recycling and after treatment.

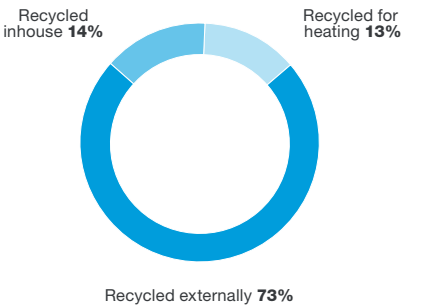
Raw materials purchased



Waste Management by type



Waste Management split



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Material impacts

- / Working conditions
- / Equal treatment and opportunities for all

HL employs more than 1,200 employees, who represent the company’s most important as-set. As an employer our impacts span working conditions, including health and safety, as well as equal treatment and opportunities for all. Our aim is to create a workplace where employees can develop and thrive as professionals as well as individuals.

Strategy

SBM-2 Interests and views of stakeholders

For more information about the interests and views of stake-holders, see [page 16](#) →

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

For more information about material impacts, risks and opportunities, and the interaction with strategy and business model, see [page 18](#) →

Impact, risk and opportunity management

S1-1 Policies related to own workforce

Code of Conduct

The Code of Conduct is part of HL’s Corporate Responsibility Policy. The Code of Conduct outlines the minimum standards we require our employees to comply with, including interna-tionally recognized human rights and labour standards. Any employee found to be in violation of this policy will be sub-ject to disciplinary action, up to and including termination of employment.

The Code of Conduct includes a human rights policy commit-ment to support and respect the protection of internationally proclaimed human rights and make sure that we are not com-plicit in human rights abuses. In addition, the Code of Condict confirms HL’s commitment to labour standards on freedom of association, forced and compulsory labour, child slavery and child labour, workplace, discrimination and purchase of sexual services and child labour.

It also explicitly states that no form of forced or compulsory labour is tolerated by HL. This includes any form of forced, compulsory or illegal labour, including trafficking, prison labour, bonded labour or any other kind of exploitation or abuse. All employees have the right to leave their employment as stated by contracts or local laws.

The Code of Conduct also clearly states that HL is not com-plicit in any form of child slavery, child labour or other forms of exploitation of children. No one is employed below the comple-tion of compulsory school or under the age of 15 and no one under the age of 18 is employed for hazardous work.

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In addition, the Code of Conduct addresses purchase of sexual services and child pornography. We believe that purchasing sexual services and child pornography is unethical. It is also illegal in many countries. Therefore, we strictly prohibit our employees from purchasing sexual services while on work assignments or business travel, irrespective of the local laws. This applies both during and after working hours and is irrespective of country of assignment or work travel. Sexual exploitation of children and child pornography is not only illegal in many countries but is a clear violation of human rights.

Policy for employee diversity, inclusiveness and equality
Our policy for employee diversity, inclusiveness and equality states that HL has zero tolerance for any discrimination or harassment of any sort. We recognise that it is essential to provide equal opportunities to all employees. We strongly believe that a broad diversity in our organisation is a good foundation for a successful and innovative business, regardless of our differences in relation to ethnicity, colour, gender, sexual orientation, nationality, parental status, marital status, pregnancy, religion, political opinion, ethnic background, social origin, social status, age, union membership or disability. This policy applies to different aspects of employment, including working conditions, remuneration, recruitment, promotions, development as well as the possibility to have a family life outside of work.

Policy for working environment, health and safety
Based on our policy for working environment and health and safety, HL is committed to providing a safe working place to all employees where no one gets hurt or injured. Our ambition is to have a working environment where employees are safe, healthy and able to develop.

The health and safety work environment within HL should be an integrated part of all decisions that can directly or indirectly affect our employees. Local regulations within the field are the lowest limit for our health and safety work. We continuously strive to improve our organisational, social and physical work environment and the psychological wellbeing of our employees.

Implementation of policies
New employees sign this Code of Conduct as an addendum to their employment contract and complete an online Code of Conduct module. We also require all employees to complete a short Code of Conduct refresher e-module or workshop each year. Managers are responsible for communicating a reminder of the Code of Conduct annually, and the Group HR team makes sure the updated version is accessible on the intranet. The policy for employee diversity, inclusiveness and equality is implemented by making employee diversity, inclusiveness, and equality an integrated part of our operative business decisions. We are also working to ensure that managers have the information and support needed to follow local legislation in their employment decisions. As part of the sustainability reporting process, HL is annually measuring the company's diversity, inclusiveness and equality initiatives. We obtain feedback on this topic in the global employee engagement survey and in the continuous improvements that follow the survey. Naturally, the company is respecting EU directives and local legislation.

Making sure that managers have the knowledge, authorities, resources and support to keep a secure work environment in accordance with local regulations and policies is key to successfully implement the policy for working environment, health and safety. We are also committed to providing an

induction to all new employees to inform about all security protocols, safety equipment and any hazards within the applicable workplace. Furthermore, we make risk assessments of the physical and social consequences of potential organisational changes that directly or indirectly affect employees. All factories and distribution centres are aiming for high working and environmental standards.

As for the policy for employee diversity, inclusiveness and equality, HL is measuring and evaluating the work environment in the annual HighLight employee engagement survey, and through the guided dialogue which takes place in mid-year and full year performance and development reviews. Improvement actions are defined and implemented based on the results of this evaluation.

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S1-2 Processes for engaging with own workers and workers’ representatives about impacts

To engage workers on topics relating to the work environment and to identify and work on potential issues, managers are expected to have regular meetings with their team members. These meetings are both one-on-one or with the collective team and can be both formal and informal in nature. As described above, specific questions relating to the work environment and its impact are addressed in the performance and development review process. This is also a formal topic discussed in meetings with worker representatives where these bodies are in place.

To understand HL’s impact on employees we also conduct the annual HighLight employee engagement survey that measures the engagement of employees, as well as several other topics. Each manager in the company is responsible for evaluating the results, prioritising improvement areas and building a plan. Progress against these plans should be reviewed quarterly.

For more information about the HighLight employee engagement survey, please see [page 47](#) →

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

Whistleblowing

We trust that in most instances our employees feel that they can speak to and notify their managers, Human Resources or their local management team if they experience anything that is not in line with our values, Code of Conduct or business practices. If for whatever reason our employees or other internal or external HL stakeholders do not feel comfortable using these channels, our whistleblowing channel called HL Speak Up is available on the HL website and HL’s intranet . This formal whistleblowing process is managed through an external platform and consultancy, WhistleB.

For more information about HL Speak Up, please see [page 53](#) →

Employee engagement survey

The HighLight employee engagement survey serves as an instrument to understand the company’s impacts as an employer.

Read more about the HighLight engagement survey on [page 47](#) →

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Working conditions including health and safety

HL adopts a proactive and systematic approach to workplace safety, regularly updating safety procedures and assessing risk factors. 79% (2023: 78%) of HL employees are covered by joint management-worker health and safety committees at an entity level. All factories and Regional Distribution Centres (RDCs) have robust safety processes in place. In 2024, we completed additional certifications. As a result, all of our RDCs and the four main factories now comply with the health and safety standard ISO 45001. This not only enhances the safety of the work environment but also shapes the mindset of managers and employees.

Every year, we are conducting two internal audits to enhance our systematic health and safety efforts.

Mandatory health and safety training and run-throughs are provided to all employees and contractors at HL’s production facilities and distribution centres. Additional capability building is conducted as needed. While the HR team and facility managers are responsible for carrying out health and safety capability initiatives and awareness programmes, every employee shares the responsibility to identify, report and manage potential risks.

Risk observations are an integral part of the safety process in all our factories and RDCs. This ensures that employees identify potential risks, preventing incidents and prompting timely action to address those risks. The Sundsvall factory

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team, the first in HL to introduce risk observations into safety work, has witnessed a consistent increase in observations. While the initial goal was to identify 100 potential risks per year, the goal for 2023 increased to 150. In 2024, Sundsvall captured 153 risk observations (2023: 149). These risk observations have shown that our largest types of risks can be classified into four categories: vehicles, falling and slipping, ergonomics and fire.

In February 2024, our Gliwice factory launched a Behaviour-Based Safety program. The aim is to reduce workplace incidents and injuries, improve safety culture and employee engagement, identify root causes of unsafe behaviour, and enhance teamwork and communication regarding safety. As part of the program, 26 observers were trained and carried out a total of 990 assessments on the shop floor throughout the year. In 91% of their assessment the behaviours were in line with safety guidelines. These observations and the program in general have helped us to increase safety awareness in production and to implement improvements.

Furthermore, all factories and RDCs conduct safety inspections. The Sundsvall factory and the office in Nacka, near Stockholm perform safety inspections called “Skyddsronder”. These inspections follow up on observations in all areas, addressing issues from poor lighting to damaged safety equipment. The process involves teams of personnel from both within and outside the work area to incorporate diverse perspectives.

Our acquisition processes include due diligence of working conditions. As we integrate acquired factories and RDCs into the HL network, we are aligning the way we work with health and safety in these sites. Furthermore, step by step, we are integrating HL’s ways of measuring and reporting on incidents, near misses or risk observations. Integrating HL’s safety culture into these sites and sharing learnings across the network is a continued focus.

To strengthen the health and wellbeing of our employees we provide a range of wellness benefits, including wellness allowances and fees for sports event participation, contributions for health checks and private healthcare services. We see our role as an employer as to not only ‘reducing harm and risk’ but also to have a positive impact on the wellbeing of our employees. We monitor and improve the wellbeing of our employees locally through health and safety and social committees, local leadership and by acting on items in the annual engagement survey. HL also maintains a close collaboration with local union representatives where these are in place.

In 2024, among other things, we arranged several wellbeing at work sessions as well as a health and safety day in numerous locations to promote health, safety and wellbeing. In addition to this, hybrid and flexible work time solutions were introduced in multiple locations to support personal and professional life balance. Furthermore, social gatherings and team building events were organized throughout the year to celebrate employee and company achievements. Other initiatives include taking part in sport competitions and providing access to sports facilities. To facilitate the engagement of employees we implement digital solutions, such as the work environment reporting tool introduced across Swedish locations, supported by regular risk assessments and targeted measures to mitigate identified risks. In the UK, an externally sourced dental phone app was launched to provide access to a dental advisor and support to book dental appointments.

Equal treatment

Ensuring diversity among our workforce is key to our innovation capabilities and building competitiveness. Therefore, it is our aim to create an inclusive and diverse team at HL. The HR team is trained in using assessments to evaluate candidates’ abilities, behaviour and personality to ensure that hiring decisions are un-

biased and merit based. We regularly review our recruitment ads to ensure they are inclusive and encouraging of applicants from diverse backgrounds because we believe this contributes to the creation of an inclusive and innovative culture.

To maintain equal working conditions and opportunities for employees with comparable qualifications and tasks, HL follows a systematic approach to employee development and promotion:

Management teams evaluate their team members’ performance and potential according to set criteria in an internal talent review process. This process reduces the risk of subjective decision-making regarding individual career opportunities and development. HL’s guidelines for rewards, recognition and compensation help managers make objective decisions about pay levels and other incentives based on qualifications, behaviours and performance.

Annual measurements of employees’ perception of being treated equally in the workplace are conducted as part of the HighLight employee engagement survey. All teams and areas develop action plans based on priority opportunities and review progress quarterly. Additional focus for areas with significant engagement opportunities happens through follow up meetings with the Extended Group Management team.

Respecting human rights

Employees of HL are expected to comply with HL’s Code of Conduct, irrespective of country and both during and after working hours. Implementation of the Code of Conduct is based on a structured and systematic approach.

To support the Code of Conduct and detect potential access to child sexual abuse material we have installed a software system called NetClean ProActive onto our servers.

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Metrics and targets

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

HL strives to offer a secure workplace, free from any accidents leading to absences. Our annual target for 2024 was to maintain a score of five or less for Lost Time Injury Frequency Rate (LTIFR). During the year, the LTIFR ended at 8.6, however, lost days were lowered with 39%. In 2024 two acquired factories were added to the statistics. For 2025, the LTIFR target will be set in-relation to an external benchmark for manufacturing companies, which indicates a LTIFR around 9.

Our target for employee engagement is measured in the annual HighLight survey through the employee engagement index. The target for 2024 was to increase this index to 75, in-line with the external benchmark. The survey result shows a slight increase of the engagement index to 71, one point above last year’s score (2023: 70). Read more on [page 47](#) →

Our efforts in providing equal opportunities to all employees are followed up and measured as part of the annual HighLight employee engagement survey ‘Regardless of background, everyone at HL Display has an equal opportunity to succeed’. In 2024, this score reached 78 (2023: 78), maintaining our score from the previous year and reaching our target.

- Our targets for 2025 are:
- / Reduce Lost Time Injury Frequency Rate to below 9.0
 - / Overall engagement index of 75
 - / Maintain score of 78 for ‘Regardless of background, everyone at HL has an equal opportunity to succeed’

S1-6 Characteristics of the undertaking’s employees

HL operates globally, and in 2024 employed 1,182 permanent staff members across 24 countries, covering 40 markets in Europe, the Middle East, Asia-Pacific and North America. Our workforce consists of several different professional groups, spanning from sales representatives, factory workers, designers and procurement specialists to factory managers and warehouse employees. Our diverse team plays a vital part in our success.

During 2024, 202 new hires joined the HL team, including 36 employees from one of the companies acquired during the year, pr trading. Our rate of new employee hires was 16.4% (2023: 26.7%) while our employee turnover rate was 14.9% (2023: 11.0%).

Another 141 new employees joined HL through acquisitions of Effekt Grafik and kostklip in 2024, however, at the time of reporting they had not yet been included in the employee management system and are therefore not included in the employee statistics.

Employees by employment contract

	EEA			Outside EEA			Total		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent employees	411	472	883	106	193	299	517	665	1,182
Temporary employees	15	19	34	0	0	0	15	19	34
Non-guaranteed employees	8	7	15	3	0	3	11	7	18
Total	434	498	932	109	193	302	543	691	1,234

Table: Please note, this table does not include employees from two of the business acquired during 2024.

New employees and turnover

	Age			Gender		Region		Total
	Under 30	30-50	Over 50	Women	Men	EEA	Outside EEA	
Number of employees (head count) TOTAL	125	724	385	543	691	932	302	1,234
New employee hires	70	97	35	87	115	148	54	202
Rate of new employee hires %	56.0%	13.4%	9.1%	16.0%	16.6%	15.9%	17.6%	16.4%
Employee turnover	26	81	77	79	105	146	38	184
Rate of employee turnover %	20.8%	11.2%	20.0%	14.6%	15.2%	15.7%	12.4%	14.9%

Table: Please note, this table does not include employees from two of the business acquired during 2024.

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S1-7 Characteristics of non-employee workers in the undertaking’s own workforce

Based on local and temporary needs HL assigns agency employees and contractors to support the business. These non-employees are mainly operating in our factories and Regional Distribution Centres. Their services are typically engaged to help us manage capacity during workload peaks due to large customer orders or significant internal projects which require staffing above our normal levels.

S1-8 Collective bargaining coverage and social dialogue

HL follows collective agreements in countries where such agreements are in place. At the end of 2024, 30% (2023: 24%) of our employees were covered by formal collective agreements. The increase is due in part to increases in the number of employees in specific locations where we have collective agreements. In locations like Finland, conditions align with external collective agreements, even though HL is not a signatory.

S1-9 Diversity metrics

The gender distribution among permanent employees at HL stands at 44% women and 56% men (2023: 43% women, 57% men). HL is proud to have a relatively balanced gender representation among production operators, although there is room for improvement in certain business areas. In terms of managerial roles, the gender distribution is currently 28% women and 72% men (2023: 26% women and 74% men). Of the twelve people in top management (defined as the Extended Group Management team) in 2024, there are two women (17%) and ten men (83%).

S1-10 Adequate wages

HL follows a systematic approach to employee development and promotion. Salary in any given position is based on the knowledge needed to do the job, the problem solving required and the level of accountability in the role, as well as the demonstrated behaviours and results achieved by the individual. Salaries are above minimum wage in all countries HL operates in. In 2024, we monitored and took action to manage any wage disparity in our key operating countries, including Poland, Sweden, the UK, Germany, France and China, and confirmed alignment with or above local living wage thresholds. In 2025, we will expand our benchmarking process to cover all countries where HL operates, with the goal of verifying that 100% of our direct workforce is paid at or above the living wage in every location. We have set a quantitative target to achieve this by 2026 and will track progress annually to ensure accountability.

S1-13 Training and skills development metrics

The annual performance review process at HL is the foundation for individual employee development. The process includes an annual performance review at the beginning of each year, where employees can give and receive constructive feedback on their overall performance to support their continued development. The process also includes defining clear goals together with their immediate manager. In 2024, 92% of employees had at least one performance review (2023: 86%). In 2024, we focused on ensuring that these conversations took place and were documented which drove this increase in overall participation, and also on improving the quality of these reviews, so that there is two way dialogue and productive discussions about performance and development, and clarity about the goals and priorities for the future.

Collective bargaining and social dialogue

Coverage rate	Collective bargaining coverage		Social Dialogue
	Employees – EEA (For countries with 50 employees representing >10% total employees)	Employees non-EEA	Workplace representation (EEA only)
0-19%	-	-	-
20-39%	-	-	-
40-59%	-	-	-
60-79%	-	-	-
80-100%	Sweden, France	-	Sweden, France, Poland, Germany

Training and development

	Male	Female	Other	Not reported	Total employees
Number of employees that participated in regular performance and career development reviews	626	485	-	123	1,234
Total number of training hours by gender	278	290	-	-	568
The average number of training hours per employees	0.44	0.59	-	-	0.52

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Developing leadership and building capability

During the past years, we have significantly increased our focus on supporting leadership, growth and learning. Three times a year we bring approximately 50 key leaders from across the company together, including area directors, plant directors and leaders of our larger teams to the cross-functional Group Leadership Forum (GLF). The aim is to align leadership with our strategy, enhance engagement and foster leadership capabilities while promoting communication and collaboration across the organisation. In 2024, the GLF met three times, twice digitally and one time in person.

Our Learning & Growth @HL platform provides a centralised space for all HL employees to access information on how we grow, behave and lead at HL. The platform offers tools for career growth, including coaching models and guides for coaching discussions and sessions for new leaders to align with their teams. The platform is developed on continuously based on feedback and development priorities across the business.

Furthermore, we have TalentLMS, a Learning Management System (LMS), which helps driving capabilities across the company. The system includes e-learning modules in a variety of topics, such as sustainability, coaching, communication and work environment and is available for all employees, even on personal mobile devices for employees in our factories and distribution centres. During the year, a combined total of 568 (2023: 810) hours of learning took place on TalentLMS. The reduction in hours compared to the previous year is due to the introduction of the 45-minute Code of Conduct module in late 2022, resulting in a large number of hours in the system for this module alone, and fewer hours in 2024 as many employees complete the shorter refresher instead.

By the end of 2024 we had increased the content available on TalentLMS from 24 to 76 e-modules based on material we have created or sourced to support our employees’ development. Additionally, there are many other forms of capability building taking place across the business such as workshops (for example relating to coaching, communication, project management), on the job learning, external certifications (for example forklift licence accreditation) which are not included in these statistics.

Career development through internal recruitment

We believe that as the business grows, so too do the opportunities for personal and professional development. We are strong advocates of internal recruitment, providing our team members with the opportunity to advance their careers by transitioning to diverse roles and across countries. During 2024, the score for the statement ‘I have good opportunities to learn and grow at HL Display’ in the employee engagement survey had risen to 69 (2023: 67). This is the third successive year where we have improved the score in this area.

We also actively look for opportunities to support business development and close capability gaps across our business by appointing talent from acquired companies to key roles in HL. In 2024, we had more than 60 internal transfers, secondments and promotions across the business.

S1-14 Health and safety metrics

The biggest health and safety risks are concentrated in production and logistics due to the nature of the work, which involves work with machinery and tools.

At the end of 2024, 75% (2023: 78%) of HL employees were covered by joint management-worker health and safety

committees at an entity level. All our factories and RDCs have robust safety processes in place. In 2024, we continued certification activities. As a result, all RDCs and all legacy factories now comply with the health and safety standard ISO 45001.

A total of 38 accidents were reported during the year (2023:31). Out of these, 18 accidents resulting in absence or sick leave (2023: 8). No fatal accidents occurred in 2024 (2023: 0). Based on these accidents, the overall accident rate for 2024 was 18.18 (2023: 19.16), and the lost time accident rate was 8.6 per 1 million hours worked (2023: 4.94). The number of days lost due to accidents dropped with 39%. In 2024, two acquired factories have been included in the statistics.

S1-15 Work-life balance metrics

In the 2024 employee engagement survey, the number of respondents agreeing with the statement ‘I’m able to successfully balance my work and personal life’ increased by one point to 76 (2023: 75). HL complies with local laws and regulations on parental leave. In 2024, 22% of our employees took family-related leave.

S1-16 Compensation metrics (pay gap and total compensation)

The annual total compensation ratio for HL’s highest-paid individual compared to the median of the organisation was 12.0 in 2024 (2023: 10.48). This data was gathered through HL’s HR Information System, TalentSoft. Employee data from all operating countries was included, and the highest paid individual’s base salary was excluded in calculating the median salary of all employees.*

** Compensation ratios take base salary into account, but not any other cash allowances, bonuses, commissions, cash profit-sharing or other forms of variable cash payments. It does not consider the total value of all annual long-term incentives such as stock option awards, restricted stock shares or units.*

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S1-18 Employee engagement

HL’s annual HighLight engagement survey provides valuable insights to the engagement of our employees and helps us focus improvements within engagement, performance and retention. The data also allows for comparisons with external global benchmarks.

The overall engagement measure for 2024 scored 71, which is one point above last year’s score (2023: 70). The global benchmark for the overall engagement measure was 74 in 2024 (2023: 75). This benchmark is based on more than 1,000 companies and 10.2m respondents.

Our engagement index combines two items, one relating to satisfaction (‘I am happy working at HL’) and another item measuring the willingness to recommend HL as a work-place (‘I would recommend HL as a great place to work’). In 2024, these two items scored 74 (2023: 73) and 67 (2023: 66) respectively. The 2024 global benchmarks were 74 (2023: 74) for the satisfaction item and 74 (2023: 75) for the recommend question.

The 2024 employee engagement survey indicates a continuous positive trend in the perception of equal opportunity at HL.

The three companies acquired during 2024 were not included in the survey, however, the three companies acquired in 2023 were covered in 2024, providing some important insights and helping us prioritise actions for the integration process. Including these acquisitions, the overall response rate was

84% (2023: 84%). As in 2023 we had over 1,000 free-text comments, providing rich input into the engagement actions across the organisation.

Overall, the results show employee engagement has improved in most of the areas assessed, with increases in 18 (2023: 17) of 25 items and decreases in one. The biggest improvements were in the areas of Collaboration, Empowerment, Prospects and Growth (increases of two points compared to 2023). The improvement in Growth was particularly pleasing given our focus on this over the last two years. The area where our score decreased was Work-Life balance ‘I’m able to successfully balance my work and personal life’ (down one point compared to 2023). This is despite improvements by one point in areas such as Initiative ‘I’m encouraged to find new and better ways to get things done’ and Resources ‘I have the resources I need to do my job well’. It was also very pleasing to see blue collar engagement is now on par with white collar engagement at 71, having increased by an impressive five points from 2023.

Compared to the external benchmark, HL’s employees report that they feel a strong sense of accountability for their work, feel that people are treated equally, and they are excited about HL’s future (Prospects). Prospects improved by two points from the 2023 result.

The Group Human Resources Director is responsible for ensuring that the engagement survey takes place and that the results are available. All local leaders are responsible for working with their teams to build practical action plans and to review progress against these actions every quarter. Results are aggregated on a company-wide level and shared with all

managers and employees globally. Every manager overseeing a team of more than five members directly receives the team’s results through the survey tool. All managers are expected to take ownership of these results and collaborate with their teams to develop action plans during dedicated workshops. Progress against these plans should be reviewed on a quarterly basis.

As the business grows, across all areas and functions, the Extended Group Management team has recognised the importance of continuing to improve how we collaborate, make decisions and creating a strong sense of Purpose.

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S2 Workers in the value chain

Material impacts

- / Working conditions (value chain)
- / Equal treatment (value chain)
- / Other work-related rights (value chain)

HL is sourcing material, goods and services from more than 1,700 suppliers. Inadequate insight of these suppliers might pose risks for potential negative impacts on people working in our upstream value chain. HL applies a systematic and proactive approach to manage these impacts, which mainly relate to working conditions, including health and safety, and creating equal treatment and opportunities for all workers.

Strategy

SBM-2 Interests and views of stakeholders

For information about the interests and views of stakeholders, see [page 16](#) →

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

For information about impacts, risks and opportunities, and the interaction with our strategy and business model, see [page 18](#) →

Impact, risk and opportunity management

S2-1 Policies related to value chain workers

HL is managed with long-term sustainability in mind, which also includes building sustainable relationships with our business partners. HL and its business partners have an obligation to all stakeholders to observe high standards of integrity and fair dealing. This is the foundation for and the reason why we have created the Code of Conduct for Suppliers, available in English, French, Chinese, Polish, German and Swedish.

The Code of Conduct for Suppliers is part of our Corporate Responsibility Policy and outlines the minimum standards required of our suppliers to comply with. This includes all suppliers providing products and services to HL, as well as subcontractors if used and consultants. The Code of Conduct

for Suppliers covers environmental, governance and social topics, such as respecting human rights and internationally recognised labour standards. HL expects all suppliers and their suppliers not to engage in or tolerate any form of forced, compulsory or illegal labour, including trafficking, prison labour, child slavery, bonded labour or any other kind of exploitation or abuse.

Furthermore, we expect our contracted business partners to offer a safe work environment to their employees, apply a systematic work with health and safety and be committed to provide a safe work environment. Risks that can cause accidents or impair the health and wellbeing of individuals while working for HL shall be reduced. Therefore, occupational health and safety hazards shall be identified, evaluated and managed through a prioritised process of hazard elimination, engineering controls and/or administrative controls.

Follow-up of policy

HL monitors the implementation and adherence of the Code of Conduct for Suppliers and assesses its business partners' compliance with the Code of Conduct for Suppliers. Violations will be handled immediately, and any violations of the Code of Conduct for Suppliers may jeopardise the business partner's business relationship with HL, up to and including termination. In cases where a supplier refuses to sign the policy, the HL Purchasing Manager notifies our Group Purchasing Director and requests the supplier to provide their own Code of Conduct. If the supplier's Code of Conduct aligns with HL's requirements, the supplier is considered to have signed our policy. If not, the supplier is phased out or replaced.

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S2-2 Processes for engaging with value chain workers about impacts

Our supplier management system

Around 1,000 of our 1,700 suppliers supply our factories and approximately 700 serve our distribution centres. Among these, we identified 160 as important suppliers in 2021, collectively representing 80% of our spend. This is where we started our supplier engagement. In 2022, we expanded our supplier outreach to include the next tier of suppliers, encompassing an additional 90 suppliers who provided at least 300,000 SEK worth of services and goods. In 2023, we focused our efforts on the next tier of suppliers, covering 65 suppliers during the year. As a result, through the efforts that began 2021, HL had actively engaged 95% of our suppliers in various stages of our supply chain management system by the end of 2023. In 2024, we started the full process from the beginning, starting with important suppliers. By the end of the year, 90 suppliers (70% of all important suppliers) had repeated the self-assessment.

We see significant value in effectively managing our relationships with suppliers and ensuring sustainability across our entire supply chain. HL applies a systematic process to monitor sustainability risks, with a primary focus on our important suppliers. This process has evolved into four steps, comprising of:

- / An initial screening of new suppliers
- / A self-assessment questionnaire
- / On-site audits
- / Supplier full review and performance evaluation

The purpose is to ensure that our suppliers adhere to our high sustainability standards. Our supplier management platform, Kodiak, facilitates a more organised engagement with our

suppliers by centralising all essential data and documentation required in the process. Additionally, it notifies us when follow-ups are necessary, such as when certifications and documents expire.

Initial screening

The initial phase of HL's supplier assessment process takes place within the Kodiak supplier management system. The Kodiak system conducts an initial evaluation of the supplier, including, for example, the geographical location of the supplier's operations, and notifies our purchasing team in case the supplier is flagged as a potential risk. HL's purchasing team conducts a screening of new suppliers when they sign the Code of Conduct for Suppliers.

Self-assessment questionnaire

The second step of the supplier management process involves distributing a self-assessment questionnaire through the Kodiak system to suppliers in focus and those flagged as a potential risk in step one. Comprising of 30 questions aligned with criteria from the Code of Conduct for Suppliers, the assessment covers ten areas:

1. Governance Management
2. Quality Management
3. Supply Chain Management
4. Human Rights Compliance
5. Labour Rights Compliance
6. Business Ethics and Anti-Corruption Management
7. Environmental Management
8. Product Safety and Traceability Management
9. Health and Safety Management
10. Capacity, Competence and Contingency Management

The results of this assessment contribute to HL's risk-based due diligence process, helping to identify suppliers that may present elevated risks in areas such as anti-corruption, business ethics, or information security, and to follow-up with them.

During 2024 we updated our supplier self-assessment questionnaire by adding more questions related to human rights compliance. The updated questionnaire is currently available in Chinese, Polish, French and English to ensure a comprehensive understanding. Initially the self-assessment scope focused on our important suppliers but during the past years, the scope has been extended to also cover the next tier of suppliers. Upon completion, the Kodiak system assigns a risk score to the supplier, ranging from low to high. The HL Purchasing team then reviews both the score and the corresponding self-assessment questionnaire.

For suppliers falling within the medium to high-risk category, the initial step is to assess whether the supplier can modify its operations to comply with the Code of Conduct for Suppliers. Depending on the severity of deviations, an action plan is implemented. In 2024, the system did not approve two suppliers (2023: 2), and actions will be taken to either ensure compliance with HL's requirements or phasing out these suppliers. In 2024, 100% of important and high-risk suppliers were covered by a due diligence process that includes business ethics and anti-corruption criteria.

On-site audits

We understand that our largest human rights related risks and impacts occur upstream in HL's value chain. It is therefore important that we continue to develop our supply chain management, understand the risk areas in which our value chain operates and work with our suppliers when it comes to sustainability.

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We expect suppliers to allow HL or a third party authorised by HL and reasonably acceptable to the supplier, to conduct audits and assessments of the supplier’s operations relevant to the Code of Conduct for Suppliers, including but not limited to the supplier’s facilities. At the supplier’s request, the parties involved in any such audit shall enter into a confidentiality agreement regarding the circumstances disclosed in the audit or assessment.

HL’s purchasing team is responsible for conducting these visits and audits, which are divided into two steps. Initially, HL ensures that our suppliers fully comprehend and comply with the requirements specified in our Code of Conduct for Suppliers. Subsequently, representatives from the HL team perform an on-site review based on pre-defined criteria, aiming to verify that the production site aligns with our requirements. Interviews are conducted with representatives of management as well as on an employee level.

In 2024, we developed a dedicated supplier on-site questionnaire specifically for worker interviews. Our audit process consistently requires a separate, confidential meeting to interview one to two blue-collar workers to ensure that we gain direct insights into working conditions. These interviews cover critical topics such as health and safety standards, fair wages, equal pay, and child labour policies, among other key compliance areas. By implementing this structured approach, we reinforce transparency, uphold labour rights, and foster continuous improvement across our supply chain. In 2024, 100% of important and high-risk suppliers were covered by a due diligence process that includes business ethics and anti-corruption criteria.

During 2024, we completed twelve on-site audits. The selection of the suppliers to audit is in part decided based on the

compiled evaluation of the initial screening assessment, the self-assessment questionnaire as well as the supplier’s risk level, size and strategic significance.

Supplier full review and performance evaluation

The final step of the supplier assessment process is a comprehensive supplier full review. During 2024, we did a full supplier review for fifty suppliers, ten per purchasing team, which together cover more than 75% of HL’s total spend in 2024. This review process is a collaborative effort involving not only the purchasing team but also logistics, procurement and quality teams. This approach incorporates a diverse range of perspectives. We have introduced a standardised review template that examines both raw materials and finished goods, covering various business aspects:

- 1. Supply Chain
- 2. Quality and Environment
- 3. Commercial Agreement
- 4. Marketing and Sales
- 5. Profitability
- 6. Management and Organisation

The template and review process are facilitated through the Kodiak system. To acknowledge outstanding performance, the respective purchasing team managers personally present HL Display awards to the top two suppliers in each team, resulting in a total of ten awards. Suppliers with results deemed insufficient are provided with action plans. All action plans are documented in Kodiak and are subject to follow-ups every six to twelve months.

In instances where non-compliance with the Code of Conduct for Suppliers is identified, our approach prioritises cooperation and corrective actions. However, persistent non-compliance may result in the termination of the contract.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

In order for workers in the value chain to raise any concerns HL has put in place a Whistleblower function, HL Speak Up that can be found on the HL website. This tool can be used by both our own employees and external parties such as workers in the value chain. Our Code of Conduct for Suppliers includes information about HL Speak Up as we strive to make it known and accessible for all workers in our value chain. The purpose of HL Speak Up is to help us identify, report and investigate concerns about unlawful behaviour or behaviour in contradiction of our Code of Conduct and the Code of Conduct for Suppliers.

For more information about our whistleblower function, please see [page 53](#) ➡

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S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The Kodiak platform self-assessment questionnaire covers environmental, social as well as governance topics. During the year, this questionnaire was further expanded to cover a broader scope of human rights topics. Kodiak continuously develop and evaluate sustainability-related criteria and support the monitoring of material risks and opportunities. If material risks related to HL’s suppliers are identified, Kodiak promptly reports them, ensuring swift action. This partnership reinforces HL’s commitment to responsible sourcing and sustainability.

On-site supplier reviews, based on pre-defined criteria, are an important part of our supplier engagement process. In 2024, this process was further developed, and interviews are now conducted with management as well as employees. This creates a better insight into the working conditions of employees and aims to ensure that human rights and internationally recognised labour standards are respected.

During the year, we also continued the integration of acquired companies into our supplier management system. Suppliers of two acquired companies have been registered in the Kodiak system during 2024. However, more actions such as signing the Code of Conduct for Suppliers, self-assessment and audit have been planned for 2025.

In 2024, there were no reported violations of human rights (2023: 0).

Metrics and targets

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

HL sets yearly targets for our supplier management. For 2024, these targets were as follows:

First, we aimed to repeat the self-assessment for important suppliers*. At the end of the year, altogether 90 suppliers had repeated the self-assessment questionnaire, representing 70% of all important suppliers* based on HL’s definition.

We also had a target for all new suppliers to sign the Code of Conduct for Suppliers. Our purchasing team systematically works towards increasing the percentage of suppliers that have engaged with and signed our Code of Conduct for Suppliers, with quarterly reviews tracking their progress. By the end of 2024, all five new suppliers during the year had signed the Code of Conduct for Suppliers.

Twelve on-site audits were conducted in 2024, exceeding our target for the year to conduct ten on-site audits.

Moreover, we aimed to conduct a full supplier review of the 50 biggest suppliers. At the end of the year, a total of 50 supplier reviews had been conducted, hence meeting our target.

During 2025, we will focus on suppliers from acquired businesses which are new to HL. Our targets for 2025 are:

- / Register all suppliers from acquired companies into HL supplier management system (Kodiak Hub)
- / To have all important suppliers from acquired companies** to complete the self-assessment
- / All important suppliers from acquired companies** to sign Code of Conduct for Suppliers
- / Ten on-site audits

**Suppliers who completed the self-assessment in 2021 and account for 80% of total spend.*
***Suppliers from acquired business which are new to HL, and part of those suppliers who account for 80% of total spend in 2024.*

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G1 Business conduct

Material impacts

- / Corporate culture
- / Management of supplier relationships
- / Corruption and bribery

HL is fostering a corporate culture that has a positive impact on our workforce and stakeholders. Corruption, including bribery, is strictly prohibited. As a large global company, HL faces risks related to bribery and corruption, and we therefore require strong oversight and ethical compliance to prevent wrongdoing in our operations. HL is proactive in mandating employees to complete the Code of Conduct training to ensure all employees are clear on our zero tolerance of any form of corruption and bribery. The training includes dedicated sections on both environmental responsibility and anti-corruption, reinforcing HL Display’s commitment to ethical conduct and sustainable business practices. Our goal is to achieve 100% employee completion of this training.

Our suppliers play a key role in our value chain. However, limited insight into suppliers can create risks, which we address by setting clear requirements and monitoring compliance through a Code of Conduct for Suppliers. This ensures adherence to labour and human rights standards and anti-corruption measures, promoting supply chain integrity.

Governance

GOV-1 The role of the administrative, supervisory and management bodies

For information on the sustainability-related expertise, as well as the skills and knowledge in business conduct, see [page 13](#) →

Impact, risk and opportunity management

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

For information on the process to identify and assess material impacts, risks and opportunities, see [page 20](#) →

G1-1 Business conduct policies and corporate culture

The Code of Conduct

HL’s Code of Conduct serves as the guiding framework for our sustainability initiatives, clearly outlining the fundamental principles that all representatives and partners associated with the company must adhere to. Amongst other topics, it defines HL’s zero-tolerance policy towards bribery and corruption, emphasising strict compliance with regulatory requirements based on international standards and initiatives, including the UN Global Compact. It is also aligned with the UN Convention against Corruption. Our Code of Conduct for Suppliers clarifies the minimum standards we set on suppliers.

Every HL employee signs the Code of Conduct upon joining the company as part of the on-boarding process. The Group HR Director is overall responsible for ensuring that our Code of Conduct is implemented. On an annual basis, we expect and encourage our employees to do a refresher training of the Code of Conduct.

HL trusts that, in most instances, our employees feel they can speak to or notify their managers or the management team if they experience anything that is not in line with our values, Code of Conduct, or business practices. In instances where employees or other stakeholders feel uncomfortable reporting concerns directly to their local management team, regardless of the reason, the whistleblowing channel HL Speak Up can be used. The overall objective of the whistleblowing channel is to empower all HL employees and other stakeholders to ‘speak up’ – if we see something, we should say something. This process is clearly defined in HL’s Whistleblowing Policy, which is available to all employees, and HL Speak Up can be

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found on our intranet. Reporting can be anonymous, and the reporting portal can also be accessed by external stakeholders such as customers or suppliers through our external website.

Recognising the consistently, low number of whistleblowing reports over time, HL is continuing to actively promote the channel and working to destigmatise whistleblowing. We have continued to make it more accessible, by for example adding Italian as a language option.

Procedures are in place to investigate all reported non-compliances, including business conduct incidents, promptly, independently, and objectively. Reports are directly forwarded to the Group HR Director, the Group Marketing Director and a HL Board representative employed at Ratos (our principal owner). HL wants to draw attention to any potential malpractices, including non-compliance with local laws or violations of HL’s Code of Conduct and Code of Conduct for Suppliers, particularly in areas such as human rights, labour rights and anti-corruption.

The reports received through the whistleblowing channel undergo a centralised investigation. If a malpractice report is substantiated, it leads to disciplinary measures and, if applicable, legal actions. Individuals who report malpractices through this channel, whether employees, external partners or other stakeholders are assured anonymity.

To deepen the understanding of the Code of Conduct, HL has developed a Code of Conduct e-learning course. This course, re-launched in late 2022, incorporates practical exercises and hypothetical dilemmas to deepen employees’ understanding. Training in the Code of Conduct is also available in a classroom style learning session in multiple

languages. The latter has been particularly helpful for our factory and warehouse teams. During 2024, 75% of all employees who were expected to have completed the full Code of Conduct course had repeated it, either via e learning or a workshop. Our biggest opportunity to close this gap is in our German entities, which represents 51% of the incompletions. Our German businesses have undergone significant changes during 2024, and we have plans to close this gap in 2025. 70% of employees expected to complete the refresher, had completed this course and reaffirmed their commitment to the Code of Conduct.

HL has also conducted an assessment to identify the functions within the organization most at risk for corruption. The analysis concluded that the Purchasing and Sales departments are the most vulnerable. For this reason, HL has provided the employees within Purchasing and Sales with sufficient training to prevent the occurrence of corruption. This risk assessment is reviewed periodically to ensure the identification of corruption-related risks remains up to date.

HL manages conflicts of interest through its Code of Conduct. Employment contracts explicitly require the need for the employer’s written approval for any business responsibilities outside of the company (for example membership on external boards or interests in other companies). Our Grandfather policy ensures proper documentation and approval from the right levels when it comes to potential conflicts related to board memberships, shareholdings with suppliers or interests in other related parties. The policy covers all HL employees.

Embracing HL behaviours

We take Ownership

- / We are proactive and constantly improve
- / If we see something broken, we fix it
- / We are open to new ideas, and we make innovation happen

We are One HL team

- / We succeed by helping others succeed
- / We grant trust and communicate with transparency
- / We set clear goals to build a stronger HL

We act with Speed

- / We are customer focused
- / We display a sense of urgency and deliver quality results
- / We keep it simple and stick to the plant

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Corporate culture

HL places great emphasis on creating and developing a corporate culture where employees work and act in accordance with the company's behaviours – Ownership, One HL team, Speed – and contribute to a positive company culture.

Every quarter, CEO awards are presented to individuals or teams who embody HL's behaviours. The nomination process, open to anyone, fosters a sense of belonging with colleagues worldwide. In 2024, we received 63 (2023: 26) nominations. We have been looking at ways to make the nomination process simpler and more accessible to everyone in the business, and this was the main driver in the increased number of nominations, driven by Q4 2024. In the past few years, local initiatives in the form of local awards have also been taken to celebrate our employees and behaviours. These complement the initiatives we are taking at a Group level.

G1-2 Management of relationships with suppliers

It is important for us to understand the risks in our supply chain and to anticipate and address any vulnerabilities that may arise. We acknowledge that our largest human rights related risks and impacts as well as some of our largest environmental impacts occur upstream in our value chain. It is therefore important for HL to proactively identify and address any vulnerabilities that may arise. To address these challenges, HL continues to enhance its supply chain management practices, gaining deeper insights into the risk areas within the value chain and collaborating with suppliers to promote sustainability. In connection with the procurement of various types of suppliers, HL takes both social and environmental criteria into account. A specific focus is placed on minimising the risks of human rights violations and ensuring that new

suppliers uphold and work in line with HL's commitments and ambitions around climate change mitigation.

The Code of Conduct for Suppliers

HL's management of supplier relationships is governed by the Code of Conduct for Suppliers. The purpose of the Code of Conduct for Suppliers is to ensure that all HL suppliers uphold the same high standards as HL and to encourage alignment with our sustainability practices.

In 2024, the Code of Conduct for Suppliers was updated to incorporate additional human rights and environmental considerations. It addresses the following areas:

- / Human and labour rights
- / Business ethics related to, for example, corruption
- / Sustainable growth
- / Environmental care
- / Health and safety

The Code of Conduct for Suppliers outlines the minimum standards we require our suppliers to comply with. It applies to all business partners that provide products or services to HL, such as consultants or suppliers (and subcontractors if used while engaging with HL). The suppliers shall ensure that all requirements of the Code of Conduct for Suppliers are cascaded to, and complied with, by their direct suppliers. With the launch of the updated Code of Conduct for Suppliers, we will ensure that all new suppliers sign the latest, updated version and will inform all important suppliers who previously signed the Code of Conduct for Suppliers of any updates.

It is our goal to have all current and new suppliers sign the Code of Conduct for Suppliers. By the end of 2024, 349 suppliers accounting for 85% of total spend had signed the Code of Conduct for Suppliers. In cases where a supplier refuses to sign the policy, the HL Purchasing Manager notifies our Group Purchasing Director and requests the supplier to provide their own Code of Conduct. If the supplier's Code of Conduct aligns with HL's requirements, the supplier is considered to have signed our policy. If not, the supplier is phased out or replaced.

The Group Purchasing Director is responsible for the updates and implementation of the policy. To promote widespread understanding and inclusion, the Code of Conduct for Suppliers is available in English, French, Chinese, Polish, German and Swedish.

Self-assessment questionnaire and HL supplier on-site audit check list

During 2024, HL also updated the HL supplier self-assessment questionnaire to include more questions regarding human rights. We also increased the number of questions that address human rights in the supplier on-site audit check list. To gain further insight in our suppliers' workers and their working conditions, we have requested interviews to gather information from them first hand.

For more information on HL's supply chain management, see [page 49](#) →

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G1-3 Prevention and detection of corruption and bribery

HL's reputation for honesty, integrity, and responsibility must be upheld, and the company maintains a zero-tolerance policy toward bribery and corruption in any form.

We make active efforts to ensure that corruption and bribery does not occur within the company. HL's employees may, for example, not offer, give, receive, or request gifts, services, entertainment, or other rewards that:

- / Violate accepted business practice
- / Have an unreasonable value
- / Consist of money, securities, cash loans or other types of personal payments in the form of discounts, commissions, bonuses or fees
- / Consist of pure leisure or vacation trips
- / Violate existing laws
- / Are other rewards which due to their value or other relevant circumstances are typically likely to improperly influence the recipient in the exercise of their professional duties or in another manner risk embarrassing the company or the employee in the event they become public knowledge

This does not prevent HL employees from receiving or offering promotional gifts designed to retain and promote good business relationships with customers and other business partners. The condition is that such gifts are modest, openly given and received, and otherwise comply with the Code of Conduct. The management of each subsidiary is responsible for establishing appropriate guidelines and procedures for employees regarding representation and gifts. In cases

where gifts or hospitality may fall outside standard guidelines or involve higher value, employees are required to seek prior written approval from their line manager.

All employees are trained in the Code of Conduct, which is an important element of the onboarding process for new hires. The training also focuses on how employees should handle dilemmas and other sensitive issues. All employees are informed about the process for identifying and reporting any suspected breaches of the Code of Conduct, particularly regarding bribery and corruption. Identified functions at risk - Purchasing and Sales – have received training to prevent the occurrence of bribery and corruption. Read more on how we train our employees to apply the Code of Conduct and to identify and manage potential instances of bribery and corruption (in G1-1) on [page 53](#) ➔

G1-4 Confirmed incidents of corruption or bribery

In 2024, there were 2 (2023: 0) reports made through HL's whistleblowing channel HL Speak Up. These reports were thoroughly investigated and were ultimately resolved. None of these reports related to non-compliance with the Code of Conduct.

In 2024, HL did not experience any identified or detected incidents related to corruption (2023: 0). The company was not implicated in any violations of anti-corruption or anti-bribery laws and was not required to pay any related fines.

During 2024, no employees were dismissed or disciplined for corruption or bribery-related incidents (2023: 0). Furthermore, no instances of contract termination with business partners due to corruption-related violations occurred.

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At HL, **cybersecurity** is defined as a critical aspect of both internal operations and the products delivered to our customers. It includes measures to protect the IT infrastructure, data and systems from cyber threats, as well as ensuring the security of our products and services to safeguard our data and operations.

Cyber threats pose significant risks to HL’s organisation, potentially leading to unauthorised access to sensitive data, resulting in data breaches and compromised customer information. Such incidents not only carry legal and financial consequences due to non-compliance with regulations like GDPR, ISO and NIS2, but also impact operational continuity, as cyberattacks can disrupt critical business functions. Furthermore, security breaches can severely damage the reputation, eroding customer trust and stakeholder confidence.

Strategy

A proactive approach to cybersecurity provides opportunities and a competitive advantage, differentiating HL from its competitors by demonstrating strong security practices and regulatory compliance. Furthermore, investing in cybersecurity technologies and frameworks fosters innovation, improving overall IT infrastructure, operational efficiency and resilience against emerging threats. Integration of cybersecurity into HL’s strategic priorities, supports sustainable growth while ensuring regulatory alignment and stakeholder confidence.

For more information about material impacts, risks and opportunities and their interaction with strategy and business model, see [page 18](#) →

Impact, risk and opportunity management

Cyber risk management procedures

As part of HL’s commitment to cybersecurity risk management and the protection of its operations, the company implemented cyber risk management procedure which is reviewed and evaluated annually. The procedure defines HL’s structured approach to identifying, assessing and mitigating cybersecurity risks across its operations. To ensure compliance and alignment with industry benchmarks, HL adheres to ISO, GDPR, NIS2 and EUDR regulations, reinforcing its commitment to data protection and regulatory compliance.

As part of the cyber risk management procedure, we prioritise security awareness campaigns, regularly educating employees on cybersecurity best practices to strengthen our internal security culture and resilience against evolving threats. These initiatives are integral to our risk management strategy, enhancing operational security, regulatory adherence and stakeholder confidence.

Taking action

To strengthen cybersecurity resilience, HL has implemented a series of proactive measures aimed at mitigating risks and ensuring data integrity. Security Awareness Simulations are conducted regularly to train employees on how to identify and respond to cyber threats, enhancing our overall IT security culture. Additionally, through a partnership with a selected vendor, our Security Operation Centre (SOC) provides real-time monitoring and incident response, reducing the risk of security breaches.

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Furthermore, advanced endpoint protection (defenders) tools are installed on all servers and end-user computers to ensure maximum security and protection against potential threats. To enhance access security, HL deployed a Multi-Factor Authentication (MFA), adding an additional layer of protection against unauthorised access. Immutable back-ups ensure that critical data remains secure and unaltered, safeguarding against ransomware and data loss. Furthermore, HL maintains cyber insurance to mitigate financial risks and operational risks arising from potential cyber incidents. In 2024, no confirmed data breaches or information security incidents were recorded.

Metrics and targets

Targets related to cybersecurity

To strengthen cybersecurity resilience and mitigate risks related to our own operations we have established key goals:

- / Early Threat Detection: Implementing proactive measures to identify cyber threats at an early stage and minimize their potential impact
- / Minimizing Consequences: Enhancing data storage structures and user training to reduce the risk of unauthorized access and security breaches
- / Continuous Improvement: Regularly updating cybersecurity strategies to address emerging threats and vulnerabilities in an evolving digital landscape
- / Security Awareness: Regular training campaigns and simulations are essential to enhance the cybersecurity culture within our organisation

Metrics related to cybersecurity

We monitor our performance through selected metrics, including:

- / Quantitative Monitoring: Leveraging Microsoft Secure Score to assess and enhance our security posture
- / Compliance & Security Checklists: Utilising NIST/NIS2-based frameworks to ensure comprehensive security coverage
- / Audits & Assessments: Conducting regular internal and external audits and security assessments to evaluate and improve our cybersecurity practices such as CSAT, EY CPA, and an internal security awareness program which includes Active Users and Simulation rates reporting

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GRI index

For more information on this report, please see [page 13](#) →

This report was published in May 2025.

For questions, contact:
Valentine Bourgal,
Sustainability Manager, HL Display

GRI standard	Disclosure	Location 2024	Omission Reason explanation
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	2-2 Entities included in the organisation's sustain-ability reporting	13	
	2-3 Reporting period, frequency and contact point	13, 60	
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	2-6 Activities, value chain and other business relationships	3-4, 15	
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	2-10 Nomination and selection of the highest governance body	13	
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	2-25 Processes to remediate negative impacts	20-21, 42, 50, 53-54, 56	
	2-26 Mechanisms for seeking advice and raising concerns	42, 53-54	
	2-27 Compliance with laws and regulations	No instances of non-compliance occurred.	
	2-28 Membership associations	-	Not applicable. HL does currently not have a significant role in an association or advocacy organization.
	2-29 Approach to stakeholder engagement	16-17	
	2-30 Collective bargaining agreements	45	

GRI 2: General disclosures 2021



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	3-2 List of material topics	11, 15, 19, 21	
Business ethics and anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	11, 22, 40-43, 49-51, 53-54	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of -corruption and actions taken	56	
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GRI 3: Material Topics 2021	3-3 Management of material topics	11, 22, 48-51, 55	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	49, 51	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	49, 51	
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GRI 3: Material Topics 2021	3-3 Management of material topics	11, 22, 24-26, 28, 33-37	
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GRI 3: Material Topics 2021	3-3 Management of material topics	11, 22, 24-27	
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GRI standard	Disclosure	Location 2024	Omission Reason explanation
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	45	
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GRI 3: Material Topics 2021	3-3 Management of material topics	11, 22, 40-43	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	40-43	
	403-2 Hazard identification, risk assessment, and incident investigation	42-43	
	403-3 Occupational health services	42-43, 46	
	403-4 Worker participation, consultation, and communication on occupational health and safety	42-43, 46	
	403-5 Worker training on occupational health and safety	42-43	
	403-6 Promotion of worker health	41, 43	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	42, 43	
Own disclosure	403-9 Work-related injuries	42, 44, 46	
	Own disclosure Number of workplace accidents leading to absence or sick leave	42, 44, 46	
Human rights			
GRI 3: Material Topics 2021	3-3 Management of material topics	11, 22, 48-51	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	49, 51	
Job creation			
GRI 3: Material Topics 2021	3-3 Management of material topics	11, 22, 40	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	44	